1045/989

Department of the Treasury
Internal Revenue Service

1989 Publication 1045

Information for Tax Practitioners

Order by December 1 to speed automation of your account onto the Tax Practitioner Master File to help ensure early delivery of your tax forms. Orders received after December 1 will be manually handled and will slow down the processing of your order.

Publication 1045 is mailed annually to all preparers who are on the Tax Practitioner Mailing List. Since Federal agencies are required by law to update their mailing lists periodically, we have designed the forms in this publication to accomplish this.

Failure to correctly file Form 3975 will result in the removal of your name from the Tax Practitioner Mailing List.

Highlight of Changes to the 1989 Tax Practitioner Program

1. One copy of Publications 17 and 334 and both volumes of Package X will automatically be mailed to every practitioner firm/company on the mailing list. (For additional copies, see 3e below).

2. **Mailing Labels:** Forms 3975A – 3975G (Renumbered from last year).
   a. If you are a new account or reapplying **before December 1,** the mailing labels are not required to be filled out.
   b. If you are a new account or reapplying **after December 1,** the mailing labels must be completed. It is acceptable to either rubber stamp or affix a label indicating your firm's name and mailing address.

3. **Changes to Forms 3975:**
   a. Inclusion of additional line to accommodate name of contact person of firm/company.
   b. In conjunction with the above, a telephone number must be indicated for contact person, in case we have any questions.
   c. Prepackaged kits will not be designated before printing. As items become available for printing, kits will be assembled and sent with notification of items included.
   d. Forms 720, 941, and 942 (listed on Form 3975A) will now be available for the first and fourth quarter.
   e. Requests for additional copies of Publication 17 and 334, and all volumes of Package X can be ordered on Form 3975F. For your convenience, Form 940 has been included on this order blank.
   f. Number of employees in firm/company is required on Form 3975.

Important Note

- ▶ Form 3975 series order blanks should be mailed to IRS only (see instructions on Page 2).
- ▶ GPO Form 3565 order blank should be mailed to the Superintendent of Documents only (see instructions on Page 2).

Please mail order blanks to the appropriate agency to avoid delay in processing of your order.

T 22.44/2:

The Tax Practitioner Forms Distribution Program

The purpose of this program is to provide informational copies of most tax forms, schedules, instructions and publications (500 and 900 series). Only one request per firm/company will be accepted.

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39	General Requirements for Substitute Forms

Special Notice

When completing **Form 3975,** use peel-off address label from the back cover and place it in Section A. This will allow us to identify your account via your keyline. If the label is incorrect, cross out the data and indicate correction(s) in Section D. If the label is misplaced, follow instructions on Form 3975, or you will be removed from the mailing list.

You **must** submit **Form 3975** even if you do not plan to order any forms/publications. This will allow you to receive the District Director's Newsletter and will keep you active on the mailing list for the following year. Reapplications must be submitted by December 1, 1989.

To help ensure speedier deliveries of your order, please use a street address. For items not listed on order blanks, requests must be submitted on company letterhead and attached to your order.

IRS Toll-Free Number

If you have a problem with your IRS order (Forms 3975 series), you can call our toll-free number: 1-800-424-3676. **Do not** call this number to place an order. Please send your order before **December 1** to ensure timely delivery of your order. Any item(s) not available when the order blank is processed will be shipped as soon as it becomes available.

Superintendent of Documents (Sup Docs)

The Superintendent of Documents is part of the Government Printing Office and is not affiliated with the Internal Revenue Service. Sup. Docs. is the only government agency authorized to sell printed materials. Their order blank for tax forms is GPO Form 3565. Your order for bulk forms should be sent directly to Sup. Docs., not to the IRS. All orders received at IRS will be returned to the requestor, thus delaying the processing time of your order. Checks must be included with your order and made payable to the Superintendent of Documents. If there is a problem with your GPO Form 3565 order, you should contact Sup. Docs. at (301) 953-2298. Orders will begin to be processed as soon as forms become available in Mid-November and be sent as partial shipments. Generally, 6 weeks should be allowed for processing and delivery. Some forms may not be available until late December.

Use of Taxpayer transfer (peel-off) label and preaddressed envelope

When you prepare a tax return for a taxpayer, please use the peel-off label from the taxpayer's original tax package. Use of the label helps us process the return faster and provides better service to the taxpayer.

Also use the preaddressed envelope from the taxpayer's tax package. This coded envelope helps move the return through the Postal Service and helps us sort mail faster inside our service centers.

Avoid late-filing penalties for your clients.

Please remind your clients that they can avoid penalties for late filing by sending in their return by the due date even if they are unable to send their full payment with the return.

Paperwork Reduction Act Notice

We ask for this information in order to furnish you information and to send you the items you order. Your compliance is voluntary.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average times needed to complete the Internal Revenue Service forms in this publication are:

Form	Estimated time in minutes
3975	3
3975A	3
3975B	3
3975C	3
3975D	3
3975E	6
3975F	4
3975G	2

If you have comments concerning the accuracy of these time estimates or suggestions for making the forms more simple, we would be happy to hear from you. You can send your comments to the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer T:FP; or the **Office of Management and Budget,** Paperwork Reduction Project (1545-0351), Washington, DC 20503.

Where to Mail Your 3975 Forms

To help ensure that your order is processed as expeditiously as possible, please check the listing below and mail all Form 3975 requests to the appropriate address according to state location.

Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, as well as all foreign countries and U.S. possessions.	EADC Attn: 3975 Order P.O. Box 27322 Richmond, VA 23261
Alabama, Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, Wisconsin	CADC Attn: 3975 Order P.O. Box 9903 Bloomington, IL 61799
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, Wyoming	WADC Attn: 3975 Order Rancho Cordova, CA 95743-0001

Where to Mail GPO Form 3565 Series

All requests for bulk forms available for sale from the Superintendent of Documents should be mailed to:

U.S. Government Printing Office
Superintendent of Documents
Dept. IRS-89
P.O. Box 360218
Pittsburgh, PA. 15250–6218

List of Federal Tax Forms, Instructions, and Publications

W-2 (1989) *

Wage and Tax Statement (6 Part form)
See W-2 and W-2P Instructions (1989)
Order on Form 3975E

W-2 (1990)

Wage and Tax Statement
See W-2 and W-2P Instructions (1990)
Order on Form 3975E

W-2 and W-2P Instructions (1989) *

Order on Form 3975A

W-2 and W-2P Instructions (1990)

Order on Form 3975A

W-2c *

Statement of Corrected Income and Tax Amounts
Order on Form 3975A

W-2P (1989)

Statement for Recipients of Annuities, Pensions, Retired Pay, or IRA Payments
See W-2 and W-2P Instructions (1988)
Order on Form 3975E

W-2P (1990)

Statement for Recipients of Annuities, Pensions, Retired Pay, or IRA Payments
See W-2 and W-2P Instructions (1990)
Order on Form 3975E

W-3 (1989) *

Transmittal of Income and Tax Statements
Order on Form 3975E

W-3 (1990)

Transmittal of Income and Tax Statements
Order on Form 3975E

W-3c *

Transmittal of Corrected Income and Tax Statements
Order on Form 3975A

W-4 *

Employee's Withholding Allowance Certificate
Order on Form 3975E

W-4P

Withholding Certificate for Pension or Annuity Payments
Order on Form 3975E

*** This item is scheduled to be included in Package X.**

W-4S
Request for Federal Income Tax Withholding from Sick Pay
Order on Form 3975E

W-9 *
Request for Taxpayer Identification Number and Certification
Order on Form 3975A

SS-4 †
Application for Employer Identification Number
Order on Form 3975A

SS-5 †
Application for a Social Security Number Card
Order on Form 3975A

706
United States Estate (and Generation-Skipping Transfer) Tax Return
Order on Form 3975A

706 Instructions
Order on Form 3975A

Sch. S (Form 706)
Increased Estate Tax on Excess Retirement Accumulations
Order on Form 3975A

709
United States Gift (and Generation-Skipping Transfer) Tax Return
Order on Form 3975A

709 Instructions
Order on Form 3975A

720
Quarterly Federal Excise Tax Return
Order on Form 3975A

843
Claim
Order on Form 3975A

940 †
Employer's Annual Federal Unemployment (FUTA) Tax Return
Order on Form 3975F

941
Employer's Quarterly Federal Tax Return
Order on Form 3975A

Sch. A (Form 941)
Record of Federal Backup Withholding Tax Liability
Order on Form 3975A

941c
Statement to Correct Information Previously Reported on Employer's Federal Tax Return
Order on Form 3975A

942
Employer's Quarterly Tax Return for Household Employees
Order on Form 3975A

943A
Agricultural Employer's Record of Federal Tax Liability
Order on Form 3975A

990
Return of Organization Exempt From Income Tax (Except Black Lung Benefit Trust or Private Foundation)
Order on Form 3975A

990 Instructions
Order on Form 3975A

Sch. A (Form 990)
Organization Exempt Under Section 501(c)(3) (Supplementary Information)
Order on Form 3975A

Sch. A (Form 990) Instructions
Order on Form 3975A

1040 * †
U.S. Individual Income Tax Return
Order on Form 3975A

1040 Instructions *
Order on Form 3975A

Schs. A&B (Form 1040) * †
Itemized Deductions
Interest and Dividend Income
See 1040 Instructions
Order on Form 3975A

Sch. C (Form 1040) * †
Profit or Loss from Business
See 1040 Instructions
Order on Form 3975A

Sch. D (Form 1040) * †
Capital Gains and Losses
See 1040 Instructions
Order on Form 3975A

Sch. E (Form 1040) * †
Supplemental Income and Loss
See 1040 Instructions
Order on Form 3975A

Sch. F (Form 1040) * †
Farm Income and Expenses
See 1040 Instructions
Order on Form 3975A

Sch. R (Form 1040) * †
Credit for the Elderly or the Disabled
Order on Form 3975A

Sch. R (Form 1040) Instructions*
Order on Form 3975A

Sch. SE (Form 1040) * †
Social Security Self-Employment Tax
See 1040 Instructions
Order on Form 3975A

1040A * †
U.S. Individual Income Tax Return
Order on Form 3975A

Sch. 2 (Form 1040A) *
Supplemental Medicare Premium for Form 1040A Filers
Order on Form 3975A

1040A/EZ Instructions *
Order on Form 3975A

1040-ES (1990) * †
Estimated Tax for Individuals
Order on Form 3975A

1040EZ * †
Income Tax Return for Single filers with no dependents
See 1040A/EZ Instructions
Order on Form 3975A

1040NR
U.S. Nonresident Alien Income Tax Return
Order on Form 3975A

1040NR Instructions
Order on Form 3975A

1040X * †
Amended U.S. Individual Income Tax Return
Order on Form 3975A

1040X Instructions *
Order on Form 3975A

1041 * †
U.S. Fiduciary Income Tax Return
Order on Form 3975A

1041 Instructions *
Order on Form 3975A

Sch. D (Form 1041) *
Capital Gains and Losses
See 1041 Instructions
Order on Form 3975A

Sch. J (Form 1041) *
Information Return-Trust Allocation of an Accumulation Distribution (IRC Section 665)
See 1041 Instructions
Order on Form 3975A

Sch. K-1 (Form 1041) * †
Beneficiary's Share of Income, Deductions, Credits, etc.
See 1041 Instructions
Order on Form 3975A

1041-ES (1990)
Estimated Tax for Fiduciaries
Order on Form 3975A

1045 *
Application for Tentative Refund
Order on Form 3975A

1065 * †
U.S. Partnership Return of Income
Order on Form 3975A

1065 Instructions *
Order on Form 3975A

Sch. D (Form 1065) * †
Capital Gains and Losses
Order on Form 3975A

Sch. K-1 (Form 1065) * †
Partner's Share of Income, Credits, Deductions, etc.
Order on Form 3975A

Sch. K-1 (Form 1065) Instructions *
Order on Form 3975A

1090
Statement of Income, and Profit and Loss Accounts
Order on Form 3975A

1096 (1989) *
Annual Summary and Transmittal of U.S. Information Returns
See 1099 Instructions (1989)
Order on Form 3975E

1096 (1990)
Annual Summary and Transmittal of U.S. Information Returns
See 1099 Instructions (1990)
Order on Form 3975E

*** This item is scheduled to be included in Package X.**
† This item is available in bulk through GPO.

1098 (1989) *
Mortgage Interest Statement
See 1099 Instructions (1989)
Order on Form 3975E

1098 (1990)
Mortgage Interest Statement
See 1099 Instructions (1990)
Order on Form 3975E

1099 Instructions (1989) *
For Forms 1099, 1098, 5498, 1096, and W-2G
Order on Form 3975A

1099 Instructions (1990)
For Forms 1099, 1098, 5498, 1096, and W-2G
Order on Form 3975B

1099-A (1989)
Information Return for Acquisition or Abandonment of Secured Property
See 1099 Instructions (1989)
Order on Form 3975E

1099-A (1990)
Information Return for Acquisition or Abandonment of Secured Property
See 1099 Instructions (1990)
Order on Form 3975E

1099-B (1989) *
Statement for Recipients of Proceeds From Broker and Barter Exchange Transactions
See 1099 Instructions (1989)
Order on Form 3975E

1099-B (1990)
Statement for Recipients of Proceeds From Broker and Barter Exchange Transactions
See 1099 Instructions (1990)
Order on Form 3975E

1099-DIV (1989) *
Statement for Recipients of Dividends and Distributions
See 1099 Instructions (1989)
Order on Form 3975E

1099-DIV (1990)
Statement for Recipients of Dividends and Distributions
See 1099 Instructions (1990)
Order on Form 3975E

1099-G (1989)
Statement for Recipients of Certain Government Payments
See 1099 Instructions (1989)
Order on Form 3975E

1099-G (1990)
Statement for Recipients of Certain Government Payments
See 1099 Instructions (1990)
Order on Form 3975E

1099-INT (1989) *
Statement for Recipients of Interest Income
See 1099 Instructions (1989)
Order on Form 3975E

1099-INT (1990)
Statement for Recipients of Interest Income
See 1099 Instructions (1990)
Order on Form 3975E

1099-MISC (1989) *
Statement for Recipients of Miscellaneous Income
See 1099 Instructions (1989)
Order on Form 3975E

1099-MISC (1990)
Statement for Recipients of Miscellaneous Income
See 1099 Instructions (1990)
Order on Form 3975E

1099-OID (1989)
Statement for Recipients of Original Issue Discount
See 1099 Instructions (1989)
Order on Form 3975E

1099-OID (1990)
Statement for Recipients of Original Issue Discount
See 1099 Instructions (1990)
Order on Form 3975E

1099-PATR (1989)
Statement for Recipients (Patrons) of Taxable Distributions Received From Cooperatives
See 1099 Instructions (1989)
Order on Form 3975E

1099-PATR (1990)
Statement for Recipients (Patrons) of Taxable Distributions Received From Cooperatives
See 1099 Instructions (1990)
Order on Form 3975E

1099-R (1989) *
Statement for Recipients of Total Distributions from Profit-Sharing, Retirement Plans, Individual Retirement Arrangements, Insurance Contracts, Etc.
See 1099 Instructions (1989)
Order on Form 3975E

1099-R (1990)
Statement for Recipients of Total Distributions from Profit-Sharing, Retirement Plans, Individual Retirement Arrangements, Insurance Contracts, Etc.
See 1099 Instructions (1990)
Order on Form 3975E

1099-S (1989) *
Statement for Recipients of Proceeds From Real Estate Transactions
See 1099 Instructions (1989)
Order on Form 3975E

1099-S (1990)
Statement for Recipients of Proceeds From Real Estate Transactions
See 1099 Instructions (1990)
Order on Form 3975E

1116 *
Computation of Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)
Order on Form 3975B

1116 Instructions *
Order on Form 3975B

1120 * †
U.S. Corporation Income Tax Return
Order on Form 3975B

1120 and 1120-A Instructions *
Order on Form 3975B

Sch. D (Form 1120) *
Capital Gains and Losses
Order on Form 3975B

Sch. PH (Form 1120) and Instructions *
Computation of U.S. Personal Holding Company Tax
Order on Form 3975B

1120-A * †
U.S. Corporation Short-Form Income Tax Return
Order on Form 3975B

1120S * †
U.S. Income Tax Return for an S Corporation
Order on Form 3975B

1120S Instructions *
Order on Form 3975B

Sch. D (Form 1120S) *
Capital Gains and Losses and Built-in Gains
Order on Form 3975B

Sch. D (Form 1120S) Instructions *
Order on Form 3975B

Sch. K-1 (Form 1120S) *
Shareholder's Share of Income, Credits, Deductions, Etc.
Order on Form 3975B

Sch. K-1 (Form 1120S) Instructions *
Order on Form 3975B

1120-W * †
Corporation Estimated Tax
Order on Form 3975B

1120X * †
Amended U.S. Corporation Income Tax Return
Order on Form 3975B

1127
Application for Extension of Time for Payment of Tax
Order on Form 3975B

2106 * †
Employee Business Expenses
Order on Form 3975B

2106 Instructions *
Order on Form 3975B

2119 * †
Sale of Your Home
Order on Form 3975B

2119 Instructions *
Order on Form 3975B

2210 *
Underpayment of Estimated Tax by Individuals
Order on Form 3975B

2210 Instructions *
Order on Form 3975B

2220 *
Underpayment of Estimated Tax by Corporations
Order on Form 3975B

2220 Instructions *
Order on Form 3975B

2290
Heavy Vehicle Use Tax Return
Order on Form 3975B

*** This item is scheduled to be included in Package X.**
† This item is available in bulk through GPO.

2350
Application for Extension of Time To File U.S. Income Tax Return
Order on Form 3975B

2441 * †
Credit for Child and Dependent Care Expenses
Order on Form 3975B

2441 Instructions *
Order on Form 3975B

2688 *
Application for Additional Extension of Time to File U.S. Individual Income Tax Return
Order on Form 3975B

2758
Application for Extension of Time to File Fiduciary and Certain Other Returns
Order on Form 3975B

2848 *
Power of Attorney and Declaration of Representative
Order on Form 3975B

2848 Instructions *
Order on Form 3975B

2848-D
Tax Information Authorization and Declaration of Representative
Order on Form 3975B

2848-D Instructions
Order on Form 3975B

3115
Application For Change in Accounting Method
Order on Form 3975B

3115 Instructions
Order on Form 3975B

3468 * †
Computation of Investment Credit
Order on Form 3975B

3468 Instructions *
Order on Form 3975B

3800 *
General Business Credit
Order on Form 3975B

3800 Instructions *
Order on Form 3975B

3903 *
Moving Expenses
Order on Form 3975B

3903 Instructions *
Order on Form 3975B

3911
Taxpayer Statement Regarding Refund
Order on Form 3975B

4070
Employee's Report of Tips to Employer
Order on Form 3975B

4136 *
Computation of Credit for Federal Tax on Gasoline and Special Fuels
Order on Form 3975B

4137 *
Computation of Social Security Tax on Unreported Tip Income
Order on Form 3975B

4255 * †
Recapture of Investment Credit
Order on Form 3975B

4506 * †
Request for Copy of Tax Form
Order on Form 3975B

4562 * †
Depreciation and Amortization
Order on Form 3975B

4562 Instructions *
Order on Form 3975B

4626 *
Alternative Minimum Tax— Corporations
Order on Form 3975B

4626 Instructions *
Order on Form 3975B

4684 * †
Casualties and Thefts
Order on Form 3975B

4684 Instructions*
Order on Form 3975B

4782 *
Employee Moving Expense Information
Order on Form 3975B

4797 * †
Sale of Business Property
Order on Form 3975B

4797 Instructions *
Order on Form 3975B

4804
Transmittal of Information Returns Reported on Magnetic Media
Order on Form 3975B

4835 *
Farm Rental Income and Expenses
Order on Form 3975C

4852
Substitute for Form W–2, Wage and Tax Statement or W–2P
Order on Form 3975C

4868 * †
Application for Automatic Extension of Time to File U.S. Individual Income Tax Return
Order on Form 3975C

4952 *
Investment Interest Expense Deduction
Order on Form 3975C

4972 *
Tax on Lump-Sum Distribution
Order on Form 3975C

4972 Instructions *
Order on Form 3975C

5329 *
Return for Individual Retirement Arrangement and Qualified Retirement Plans Taxes
Order on Form 3975C

5329 Instructions *
Order on Form 3975C

5498 (1989) *
Individual Retirement Arrangement Information
See 1099 Instructions (1989)
Order on Form 3975E

5498 (1990)
Individual Retirement Arrangement Information
See 1099 Instructions (1990)
Order on Form 3975E

5500
Annual Return/Report of Employee Benefit Plan (with 100 or more participants)
Order on Form 3975C

5500 Instructions
Order on Form 3975C

Sch. A (Form 5500)
Insurance Information
Order on Form 3975C

Sch. B (Form 5500) and Instructions
Actuarial Information
Order on Form 3975C

Sch. C (Form 5500)
Service Provider and Trustee Information
Order on Form 3975C

Sch. P (Form 5500)
Annual Return of Fiduciary of Employee Benefit Trust
Order on Form 3975C

Sch. SSA (Form 5500)
Annual Registration Statement Identifying Separated Participants with Deferred Vested Benefits
Order on Form 3975C

5500-C
Return/Report of Employee Benefit Plan (with fewer than 100 participants)
Order on Form 3975C

5500-C Instructions
Order on Form 3975C

5500EZ *
Annual Return of One-Participant (Owners and Their Spouses) Pension Benefit Plan
Order on Form 3975C

5500EZ Instructions *
Order on Form 3975C

5500-R
Registration Statement of Employee Benefit Plan
Order on Form 3975C

5500-R Instructions
Order on Form 3975C

5558
Application for Extension of Time to File Certain Employee Plan Returns
Order on Form 3975C

5754
Statement By Person(s) Receiving Gambling Winnings
See 1099 Instructions (1990)
Order on Form 3975C

5884 *
Jobs Credit
Order on Form 3975C

6198 *
Computation of Deductible Loss From an Activity Described in Section 465 (c)
Order on Form 3975C

6198 Instructions *
Order on Form 3975C

*** This item is scheduled to be included in Package X.**
† This item is available in bulk through GPO.

6251 * †
Alternative Minimum Tax–Individuals
Order on Form 3975C

6251 Instructions *
Order on Form 3975C

6252 *
Computation of Installment Sale Income
Order on Form 3975C

6252 Instructions *
Order on Form 3975C

7004 *
Application for Automatic Extension of Time To File Corporation Income Tax Return
Order on Form 3975C

8264 *
Application for Registration of Tax Shelter
Order on Form 3975C

8264 Instructions *
Order on Form 3975C

8271 *
Investor Reporting of Tax Shelter Registration Number
Order on Form 3975C

8275 and Instructions *
Disclosure Statement Under Section 6661

8283 * †
Noncash Charitable Contributions
Order on Form 3975C

8283 Instructions *
Order on Form 3975C

8308
Report of a Sale or Exchange of Certain Partnership Interests
Order on Form 3975C

8332 *
Dependency Exemption for Child of Noncustodial Parent
Order on Form 3975C

8379
Injured Spouse Allocation
Order on Form 3975C

8453 *
U.S. Individual Income Tax Declaration for Electronic Filing
Order on Form 3975C

8582 * †
Passive Activity Loss Limitations
Order on Form 3975C

8582 Instructions *
Order on Form 3975C

8582CR *
Passive Activity Credit Limitations
Order on Form 3975C

8582CR Instructions *
Order on Form 3975C

8586 *
Low-Income Housing Credit
Order on Form 3975C

8606 * †
Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions
Order on Form 3975C

8609
Low-Income Housing Credit Allocation Certification
Order Form 3975C

8615 * †
Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000
Order on Form 3975C

8633
Electronic Filer Application to File 1989 Individual Income Tax Return Electronically
Order on Form 3975C

8656 *
Alternative Minimum Tax–Fiduciaries
Order on Form 3975C

8656 Instructions
Order on Form 3975C

8716
Election to Have a Tax Year Other Than a Required Year
Order on Form 3975C

8801 *
Credit for Prior Year Minimum Tax
Order on Form 3975C

8808 and Instructions
Supplemental Medicare Premium
Order on Form 3975C

8809
Request for Extension of Time to File Information Returns
Order on Form 3975C

8810 †
Corporate Passive Activity Loss and Credit Limitations
Order on Form 3975C

8810 Instructions
Order on Form 3975C

8814
Parent's Election to Report Child's Interest and Dividends
Order on Form 3975C

9041
Application for Electronic/Magnetic Tape Filing of Tax Year 1989 Forms 1041, 1065, 5500-C, or 5500-R
Order on Form 3975C

Package X (Volumes 1 and 2)
Informational Copies of Federal Tax Forms
One copy will be sent automatically. To order additional copies, see instructions (page 22) on back of Form 3975F.

Publication 1
Your Rights as a Taxpayer
Order on Form 3975D

Publication 15
Circular E–Employer's Tax Guide
Order on Form 3975D

Publication 17
Your Federal Income Tax
One copy will be sent automatically. To order additional copies, see instructions (page 22) on back of Form 3975F.

Publication 54
Tax Guide for U.S. Citizens and Resident Aliens Abroad
Order on Form 3975D

Publication 225
Farmer's Tax Guide
Order on Form 3975D

Publication 334
Tax Guide for Small Business
One copy will be sent automatically. To order additional copies, see instructions (page 22) on back of Form 3975F.

Publication 463
Travel, Entertainment, and Gift Expenses
Order on Form 3975D

Publication 501
Exemptions, Standard Deductions, Filing Information
Order on Form 3975D

Publication 502
Medical and Dental Expenses
Order on Form 3975D

Publication 503
Child and Dependent Care Credit
Order on Form 3975D

Publication 504
Tax Information for Divorced or Separated Individuals
Order on Form 3975D

Publication 505
Tax Withholding and Estimated Tax
Order on Form 3975D

Publication 508
Educational Expenses
Order on Form 3975D

Publication 509
Tax Calendar for 1990
Order on Form 3975D

Publication 520
Scholarships and Fellowships
Order on Form 3975D

Publication 521
Moving Expenses
Order on Form 3975D

Publication 523
Tax Information on Selling Your Home
Order on Form 3975D

Publication 524
Credit for the Elderly or the Disabled
Order on Form 3975D

Publication 525
Taxable and Nontaxable Income
Order on Form 3975D

Publication 526
Charitable Contributions
Order on Form 3975D

Publication 527
Rental Property
Order on Form 3975D

Publication 529
Miscellaneous Deductions
Order on Form 3975D

Publication 530
Tax Information for Homeowners
Order on Form 3975D

Publication 531
Reporting Income From Tips
Order on Form 3975D

*** This item is scheduled to be included in Package X.**
† This item is available in bulk through GPO.

Publication 533
Self-Employment Tax
Order on Form 3975D

Publication 534
Depreciation
Order on Form 3975D

Publication 535
Business Expenses
Order on Form 3975D

Publication 537
Installment Sales
Order on Form 3975D

Publication 538
Accounting Periods and Methods
Order on Form 3975D

Publication 539
Employment Taxes
Order on Form 3975D

Publication 541
Tax Information on Partnerships
Order on Form 3975D

Publication 542
Tax Information on Corporations
Order on Form 3975D

Publication 544
Sales and Other Dispositions of Assets
Order on Form 3975D

Publication 547
Nonbusiness Disasters, Casualties, and Thefts
Order on Form 3975D

Publication 548
Deduction for Bad Debts
Order on Form 3975D

Publication 549
Condemnations and Business Casualties and Thefts
Order on Form 3975D

Publication 550
Investment Income and Expenses
Order on Form 3975D

Publication 551
Basis of Assets
Order on Form 3975D

Publication 552
Recordkeeping for Individuals
Order on Form 3975D

Publication 553
Highlights of 1989 Tax Changes
Order on Form 3975D

Publication 554
Tax Information for Older Americans
Order on Form 3975D

Publication 556
Examination of Returns, Appeal Rights, and Claims for Refund
Order on Form 3975D

Publication 559
Tax Information for Survivors, Executors, and Administrators
Order on Form 3975D

Publication 560
Self-Employed Retirement Plans
Order on Form 3975D

Publication 561
Determining the Value of Donated Property
Order on Form 3975D

Publication 564
Mutual Fund Distributions
Order on Form 3975D

Publication 570
Tax Guide for Individuals in U.S. Possessions
Order on Form 3975D

Publication 575
Pension and Annuity Income
Order on Form 3975D

Publication 583
Information for Business Taxpayers
Order on Form 3975D

Publication 584
Nonbusiness Disaster, Casualty, and Theft Loss Workbook
Order on Form 3975D

Publication 587
Business Use of Your Home
Order on Form 3975D

Publication 589
Tax Information on S Corporations
Order on Form 3975D

Publication 590
Individual Retirement Arrangements (IRAs)
Order on Form 3975D

Publication 596
Earned Income Credit
Order on Form 3975D

Publication 907
Tax Information for Handicapped and Disabled Individuals
Order on Form 3975D

Publication 908
Bankruptcy and Other Debt Cancellation
Order on Form 3975D

Publication 909
Alternative Minimum Tax for Individuals
Order on Form 3975D

Publication 910
Guide To Free Tax Services
Order on Form 3975D

Publication 915
Social Security Benefits and Equivalent Railroad Retirement Benefits
Order on Form 3975D

Publication 916
Information Returns
Order on Form 3975D

Publication 917
Business Use of a Car
Order on Form 3975D

Publication 925
Passive Activity and At-Risk Rules
Order on Form 3975D

Publication 929
Tax Rules for Children and Dependents
Order on Form 3975D

Publication 934
Supplemental Medicare Premium
Order on Form 3975D

Publication 935
Government Pension Adjustment for the Supplemental Medicare Premium
Order on Form 3975D

Publication 936
Limits on Home Mortgage Interest Deduction
Order on Form 3975D

Form **3975**

Department of the Treasury
Internal Revenue Service

Tax Practitioner Annual Mailing List Application/Update

* For Paperwork Reduction Act Notice, see instructions in Publication 1045.

OMB No. 1545-0351
Expires: 7-31-92

1989

Section A

Must be Completed for all Change/Reapplication /Deletion Requests

Attach old label here or enter

[ ][ ][ ] - [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ]

Keyline code from old label

Section B—Nature of Request (must be completed).

1 ☐ New application 2 ☐ Reapplication no change 3 ☐ Reapplication with change 4 ☐ Delete record

Section C—Must be completed—Needed in case there are questions concerning your order.

Office Telephone Number [ ][ ][ ] [ ][ ][ ] - [ ][ ][ ][ ]

Section D

New Applicants—Please complete all information below.

Change Requests—Enter only the information that has changed.
(Please print–one character in each box, maximum 30 characters. You may abbreviate where necessary.)

Name [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ] (First name) [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ] (Last name)

Firm/Company [ ]

Firm/Company street address [ ]

City [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ] (Maximum 15 characters) State [ ][ ] (Max. 2) ZIP code [ ][ ][ ][ ][ ] (Max. 5 digits)

[ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ] (Foreign Countries)

Section E

What is your principal occupation or business? (Check ONLY one)

1 ☐ Association 2 ☐ Attorney 3 ☐ Banker 4 ☐ CPA 5 ☐ Accountant 6 ☐ Preparer of tax returns 7 ☐ Special enrolled agent 8 ☐ Other

Section F—Must be completed—Number of professional tax preparers at your firm/company? _ _ _ _ _ _

Section G—Primary reason for being on the practitioner mailing list?

1 ☐ To order information copies of tax forms only. 2 ☐ To receive the district director's newsletter only. 3 ☐ Both

Instructions For Filling Out Form 3975

Section A

1. **Reapplication/Deletion To Mailing List**—Use your peel-off address label from back cover. **Do Not Make Corrections To Label,** go to **Section D** and make adjustments as necessary.
2. **New Applicant—Do Not Fill In This Space,** go to **Section D.**

Section B

Check appropriate action to be taken on your account for our mailing list.

Section C

Your phone number **Must** be provided to IRS, as it is critical in cases where there are questions concerning your order.

Section D

1. **New Applicants—ALL SPACES** to be completed.
2. **Change Requests—ONLY** information that has **CHANGED.**

Section E

Check appropriate category which describes your principal occupation or business.

Section F

Fill in the number of professional tax return preparers in your firm/company.

Section G

Check the appropriate box(es) for the mailing list you wish to be maintained on for the next year.

Special Note: All practitioners on the master file will automatically receive one copy of Package X (all volumes) and Publications 17 and 334.

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

Did You Remember to attach your peel-off label (from the back of Publication 1045) to Form 3975?

▼ PLEASE FOLD AND DETACH HERE

Form **3975A**

Department of the Treasury
Internal Revenue Service

Tax Practitioner Order Blank for Forms and Instructions

Please see instructions on back of this form

*** For Paperwork Reduction Act Notice, see Publication 1045.**

*** Use for tax year 1989 only. * Please file with Form 3975.**

OMB No. 1545-0351
Expires: 7-31-92

1989

Firm/Company Name

Date

Office Telephone Number ( )

Contact Person

901

For IRS Use Only

Form	ID No.	X	Form	ID No.	X	Form	ID No.	X	Form	ID No.	X
Instr W-2/ W-2P(89)	001		941 (4th Qtr)	016		1040 Sch D	031		1041	046	
Instr W-2/ W-2P(90)	002		941 (1st Qtr)	017		1040 Sch E	032		Instr 1041	047	
W-2C	003		941 Sch A	018		1040 Sch F	033		1041 Sch D	048	
W-3C	004		941-c	019		1040 Sch R	034		1041 Sch J	049	
W-9	005		942 (4th Qtr)	020		Instr 1040 Sch R	035		1041 Sch K-1	050	
SS-4	006		942 (1st Qtr)	021		1040 Sch SE	036		1041-ES (90)	051	
SS-5	007		943A	022		1040A	037		1045	052	
706	008		990	023		1040A Sch 2	038		1065	053	
Instr 706	009		Instr 990	024		Instr 1040A & EZ	039		Instr 1065	054	
706 Sch S	010		990 Sch A	025		1040-ES (90)	040		1065 Sch D	055	
709	011		Instr 990 Sch A	026		1040EZ	041		1065 Sch K-1	056	
Instr 709	012		1040	027		1040 NR	042		Instr 1065 Sch K-1	057	
720 (4th Qtr)	013		Instr 1040	028		Instr 1040 NR	043		1090	058	
720 (1st Qtr)	014		1040 Sch A&B	029		1040X	044		Instr 1099 (89)	059	
843	015		1040 Sch C	030		Instr 1040X	045				

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Instructions For Filling Out Form 3975A

Place an "X" to the right of any item you wish to order. You will automatically receive the maximum number of copies allowed. Be sure to fill out the top of the form indicating your firm/company name, contact person, telephone number and date.

If your order is postmarked after **December 1,** complete both mailing labels.

You may also use the additional space on **this order blank** to write in any other item **not listed** on the order blank.

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

Form **3975B**

Department of the Treasury
Internal Revenue Service

Tax Practitioner Order Blank for Forms and Instructions

Please see instructions on back of this form

*** For Paperwork Reduction Act Notice, see Publication 1045.**

*** Use for tax year 1989 only. * Please file with Form 3975.**

OMB No. 1545-0351
Expires: 7-31-92

1989

Firm/Company Name | Date

Office Telephone Number ( ) | Contact Person | 902 | **For IRS Use Only**

Form	ID No.	X	Form	ID No.	X	Form	ID No.	X	Form	ID No.	X
Instr 1099 (90)	061		1120X	076		2688	091		4070	106	
1116	062		1127	077		2758	092		4136	107	
Instr 1116	063		2106	078		2848	093		4137	108	
1120	064		Instr 2106	079		Instr 2848	094		4255	109	
Instr 1120 and 1120A	065		2119	080		2848-D	095		4506	110	
1120 Sch D	066		Instr 2119	081		Instr 2848-D	096		4562	111	
1120 Sch PH and Instr	067		2210	082		3115	097		Instr 4562	112	
1120A	068		Instr 2210	083		Instr 3115	098		4626	113	
1120S	069		2220	084		3468	099		Instr 4626	114	
Instr 1120S	070		Instr 2220	085		Instr 3468	100		4684	115	
1120S Sch D	071		2290	086		3800	101		Instr 4684	116	
Instr 1120S Sch D	072		2350	087		Instr 3800	102		4782	117	
1120S Sch K-1	073		2441	088		3903	103		4797	118	
Instr 1120S Sch K-1	074		Instr 2441	089		Instr 3903	104		Instr 4797	119	
1120W	075					3911	105		4804	120	

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

Instructions For Filling Out Form 3975B

Place an "X" to the right of any item you wish to order. You will automatically receive the maximum number of copies allowed. Be sure to fill out the top of the form indicating your firm/company name, contact person, telephone number and date.

If your order is postmarked after **December 1,** complete both mailing labels.

You may also use the additional space on **this order blank** to write in any other item **not listed** on the order blank.

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

Form **3975C**

Department of the Treasury
Internal Revenue Service

Tax Practitioner Order Blank for Forms and Instructions

Please see instructions on back of this form

*** For Paperwork Reduction Act Notice, see Publication 1045.**

*** Use for tax year 1989 only. * Please file with Form 3975.**

OMB No. 1545-0351
Expires: 7-31-92

1989

Firm/Company Name | Date

Office Telephone Number ( ) | Contact Person | | 903

For IRS Use Only

Form	ID No.	X	Form	ID No.	X	Form	ID No.	X	Form	ID No.	X
4835	121		5500-C	136		7004	151		8606	166	
4852	122		Instr 5500-C	137		8264	152		8609	167	
4868	123		5500EZ	138		Instr 8264	153		8615	168	
4952	124		Instr 5500EZ	139		8271	154		8633	169	
4972	125		5500-R	140		8283	155		8656	170	
Instr 4972	126		Instr 5500-R	141		Instr 8283	156		Instr 8656	171	
5329	127		5558	142		8308	157		8716	172	
Instr 5329	128		5754	143		8332	158		8801	173	
5500	129		5884	144		8379	159		8808 and Instr	174	
Instr 5500	130		6198	145		8453	160		8809	175	
5500 Sch A	131		Instr 6198	146		8582	161		8810	176	
5500 Sch B and Instr	132		6251	147		Instr 8582	162		Instr 8810	177	
5500 Sch C	133		Instr 6251	148		8582CR	163		8814	178	
5500 Sch P	134		6252	149		Instr 8582CR	164		9041	179	
5500 Sch SSA	135		Instr 6252	150		8586	165				

PLEASE FOLD AND DETACH HERE

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

Instructions For Filling Out Form 3975C

Place an "X" to the right of any item you wish to order. You will automatically receive the maximum number of copies allowed. Be sure to fill out the top of the form indicating your firm/company name, contact person, telephone number and date.

If your order is postmarked after **December 1,** complete both mailing labels.

You may also use the additional space on **this order blank** to write in any other item **not listed** on the order blan

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

Form **3975D**

Department of the Treasury
Internal Revenue Service

Tax Practitioner Order Blank for Publications

Please see instructions on back of this form

*** For Paperwork Reduction Act Notice, see Publication 1045.**

*** Use for tax year 1989 only. * Please file with Form 3975.**

OMB No. 1545-0351
Expires: 7-31-92

1989

Firm/Company Name | Date

Office Telephone Number ( ) | Contact Person | 904 **For IRS Use Only**

Pub	ID No.	X	Pub	ID No.	X	Pub	ID No.	X	Pub	ID No.	X
Pub 1	300		Pub 525	316		Pub 548	332		Pub 587	348	
Pub 15	301		Pub 526	317		Pub 549	333		Pub 589	349	
Pub 54	302		Pub 527	318		Pub 550	334		Pub 590	350	
Pub 225	303		Pub 529	319		Pub 551	335		Pub 596	351	
Pub 463	304		Pub 530	320		Pub 552	336		Pub 907	352	
Pub 501	305		Pub 531	321		Pub 553	337		Pub 908	353	
Pub 502	306		Pub 533	322		Pub 554	338		Pub 909	354	
Pub 503	307		Pub 534	323		Pub 556	339		Pub 910	355	
Pub 504	308		Pub 535	324		Pub 559	340		Pub 915	356	
Pub 505	309		Pub 537	325		Pub 560	341		Pub 916	357	
Pub 508	310		Pub 538	326		Pub 561	342		Pub 917	358	
Pub 509	311		Pub 539	327		Pub 564	343		Pub 925	359	
Pub 520	312		Pub 541	328		Pub 570	344		Pub 929	360	
Pub 521	313		Pub 542	329		Pub 575	345		Pub 934	361	
Pub 523	314		Pub 544	330		Pub 583	346		Pub 935	362	
Pub 524	315		Pub 547	331		Pub 584	347		Pub 936	363	

▼ PLEASE FOLD AND DETACH HERE ▲

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

Instructions For Filling Out Form 3975D

Place an "X" to the right of any item you wish to order. You will automatically receive the maximum number of copies allowed. Be sure to fill out the top of the form indicating your firm/company name, contact person, telephone number and date.

If your order is postmarked after **December 1**, complete both mailing labels.

Do Not Use This Form To Write In Any Other Items.

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

Form **3975E**

Department of the Treasury
Internal Revenue Service

Tax Practitioner Order Blank for Unlimited Quantity Forms

Please see instructions on back of this form

*** For Paperwork Reduction Act Notice, see Publication 1045.**

*** Use for tax year 1989 only. * Please file with Form 3975.**

OMB No. 1545-0351
Expires: 7-31-92

1989

Firm/Company Name | Date

Office Telephone Number ( ) | Contact Person

1990 FORMS WILL BE SHIPPED AFTER JANUARY 1990

USE THIS PORTION FOR 1990 FORMS ONLY

FORM	ID No.	QUANTITY	FORM	ID No.	QUANTITY	FORM	ID No.	QUANTITY	FORM	ID No.	QUANTITY
W-2	500		1098	504		1099-G	508		1099-PATR	512	
W-2P	501		1099-A	505		1099-INT	509		1099-R	513	
W-3	502		1099-B	506		1099-MISC	510		1099-S	514	
1096	503		1099-DIV	507		1099-OID	511		5498	515	

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

◀ PLEASE FOLD AND DETACH HERE ▲

Internal Revenue Service

1990 ONLY

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

QUANTITY

Form		ID No.
W-4		516
W-4P		517
W-4S		518

USE THIS PORTION FOR 1989 FORMS ONLY

FORM	ID No.	QUANTITY	FORM	ID No.	QUANTITY	FORM	ID No.	QUANTITY	FORM	ID No.	QUANTITY
W-2	519		1098	523		1099-G	527		1099-PATR	531	
W-2P	520		1099-A	524		1099-INT	528		1099-R	532	
W-3	521		1099-B	525		1099-MISC	529		1099-S	533	
1096	522		1099-DIV	526		1099-OID	530		5498	534	

Internal Revenue Service

Firm/Company contact | Firm/Company name

Firm/Company address (number and street)

City, state, and ZIP code

Instructions For Filling Out Form 3975E

Fill out the top of the form indicating your firm/company name, contact person, telephone number and date.

There are **no** quantity restrictions for the forms listed on this order blank. Simply enter the quantity next to the form you are ordering and fully complete the appropriate mailing label(s). The titles of these forms are listed in the List of Federal Tax Forms, Instructions, and Publications. Use the **top** portion for ordering **1990** forms **ONLY.** Use the **bottom** portion for ordering **1989** forms **ONLY.** Some of the forms listed are printed three on a sheet. Please order the number of forms, **NOT** the number of sheets.

If your order is postmarked after **December 1,** complete all mailing labels.

Do Not Use This Form To Write In Any Other Items.

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

Form **3975F**

Department of the Treasury
Internal Revenue Service

Tax Practitioner Order Blank for Forms and Publications

Please see instructions on back of this form

*** For Paperwork Reduction Act Notice, see Publication 1045.**

*** Use for tax year 1989 only. * Please file with Form 3975.**

OMB No. 1545-0351
Expires: 7-31-92

1989

Firm/Company Name | Date

Office Telephone Number ( ) | Contact Person

Form 940 (535) ☐ | Pub. 17 (536) _____ Quantity | Pub. 334 (537) _____ Quantity | Pkg. X Vol. 1 (538) _____ Quantity | Pkg. X Vol. 2 (539) _____ Quantity

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Form 940

☐

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Pub. 17

_____
Quantity

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Pub. 334

_____
Quantity

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Pkg. X Vol. 1

_____
Quantity

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Pkg. X Vol. 2

_____
Quantity

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

PLEASE FOLD AND DETACH HERE

Instructions For Filling Out Form 3975F

Fill out the top of the form indicating your firm/company name, contact person, telephone number and date.

Form 940—Place an "X" in both boxes for Form 940 if you wish to order this item. You will automatically receive the maximum number of copies allowed. This item is listed separately from the others, since it will be late in printing. It will be sent to you as soon as it becomes available.

Publications 17, 334 and Package X, Volumes 1 & 2—The quantity of these items is limited to one per employee in your firm/company. To order simply enter the quantity in both spaces for the item(s) needed. The titles of these forms are listed in the List of Federal Tax Forms, Instructions, and Publications.

If your order is postmarked after **December 1,** complete the appropriate mailing labels.

Do Not Use This Form To Write In Any Other Items.

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

Form **3975G**

Department of the Treasury
Internal Revenue Service

Order Blank for Revenue Procedures and Catalog of Available Reproducible Forms

Please see instructions on back of this form
*** For Paperwork Reduction Act Notice, see Publication 1045.**
*** Use for tax year 1989 only. * Please file with Form 3975.**

OMB No. 1545-0351
Expires: 7-31-92

1989

Firm/Company Name	Date

Office Telephone Number ( )	Contact Person

Please send me one copy of:

I.D. Code		
600	☐	Pub. 1141, the revenue procedure on specifications for private printing of Forms W-2, W-2P, and W-3.
601	☐	Pub. 1167, the revenue procedure on substitute printed, computer-prepared, and computer-generated tax forms and schedules.
602	☐	Pub. 1179, the revenue procedure on paper substitute information returns (Forms 1096, 1098, 1099 Series, 5498, and W-2G).
603	☐	Pub. 1187, the revenue procedure on magnetic tape filing for Form 1042S.
604	☐	Pub. 1192, Catalog of Reproducible Forms and Instructions.
605	☐	Pub. 1220, the revenue procedure on magnetic tape reporting for information returns (Forms 1098, 1099, 5498, and W-2G).
606	☐	Pub. 1223, the revenue procedure on substitute Forms W-2c and W-3c.
607	☐	Pub. 1255, the revenue procedure on magnetic diskette reporting for information returns (Forms 1098, 1099, 5498, and W-2G).
608	☐	Pub. 1345, revenue procedures for electronic filing of individual income tax returns (tax year 1989).
609	☐	Pub. 1355, the revenue procedure on substitute Form 1040-ES requirements.

▼ PLEASE FOLD AND DETACH HERE ▲

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Internal Revenue Service

Firm/Company contact	Firm/Company name
Firm/Company address (number and street)	
City, state, and ZIP code	

Instructions For Filling Out Form 3975G

Place an "X" to the left of any item you wish to order. You will automatically receive one copy (maximum number of copies allowed). Be sure to fill out the top of the form indicating your firm/company name, contact person, telephone number and date.

It is **necessary** to **complete both mailing labels** when ordering items regardless of when order is placed.

Do Not Use This Form To Write In Any Other Items.

Mail this form to the **Internal Revenue Service** at the address shown for your state on page 2 of Publication 1045. To avoid delays in processing your 3975 order, please **DO NOT** mail your 3975 order blanks to the address for the Superintendent of Documents.

SALE OF OFFICIAL TAX FORMS AND IRS PUBLICATIONS

The Superintendent of Documents, U.S. Government Printing Office, is selling the high usage 1989 Federal Tax Forms and official IRS publications. These can be obtained using the order blanks on the following pages.

ORDER BLANK 3565

Practitioners can purchase the 1989 Federal Tax Forms listed on the Superintende. f Documents' Order Blank 3565 in quantities of 100. These orders will be given special handling and they should be sent to the address shown at the bottom right of the Order Blank. In the "Quantity" box in Section II, indicate the quantity desired in multiples of 100. Payment should be by check or money order.

The 1040 series of tax forms, the 1065 series, the 1040ES series, the 1120 and 1120S series are all scheduled to be shipped by the third week of December.

Publication 1132 is a book of Federal Tax Forms printed on high quality paper suitable for reproduction. It includes the frequently requested forms, instructions, tax tables and other important tax materials. It is 3-hole punched for easy access and use. Publication 1132 will be available for shipment by the first week of January 1990.

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I.R.S. Regulations Relating to Tax Return Preparers

PART I—INCOME TAX: TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

§ 1.6060-1 Reporting requirements for income tax return preparers.

(a) *In general.* (1) Each person who employs (or engages) one or more income tax return preparers to prepare any return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954, other than for the person, at any time during a return period shall satisfy the requirements of section 6060 of the Code by—

(i) Retaining a record of the name, taxpayer identification number, and principal place of work during the return period of each income tax return preparer employed (or engaged) by the person at any time during that period; and

(ii) Making that record available for inspection upon request by the district director.

The record described in this paragraph (a) must be retained and kept available for inspection for the 3-year period following the close of the return period to which that record relates.

(2) The person may choose any form of documentation to be used under this section as a record of the preparers employed (or engaged) during a return period. However, the record must disclose on its face which individuals were employed (or engaged) as income tax return preparers during that period.

(3) For the definition of the term "income tax return preparer" (or "preparer") see section 7701(a)(36) and § 301.7701-15. For the definition of the term "return period", see paragraph (b) of this section.

(4) (i) For purposes of this section, any individual who, in acting as an income tax return preparer, is not employed by another income tax return preparer shall be treated as his (or her) own employer. Thus, a sole proprietor shall retain and make available a record with respect to himself (or herself) as provided in this section.

(ii) A partnership shall, for purposes of this section, be treated as the employer of the partners of the partnership and shall retain and make available a record with respect to the partners and others employed (or engaged) by the partnership as provided in this section.

(b) *Return period defined.* For purposes of this section, the term "return period" means the 12-month period beginning on July 1 of each year.

(c) *Penalty.* For the civil penalty for failure to retain and make available a record of the preparers employed (or engaged) during a return period as required under this section, or for failure to include an item in the record required to be retained and made available under this section, see § 1.6695-1(e).

§ 1.6107-1 Income tax return preparer must furnish copy of return to taxpayer and must retain a copy or record.

(a) *Furnishing copy to taxpayer.* The person who is an income tax return preparer of any return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 shall furnish a completed copy of the original return or claim for refund to the taxpayer (or nontaxable entity) not later than the time the original return or claim for refund is presented for the signature of the taxpayer (or nontaxable entity). The preparer may, if it wishes, request a receipt or other evidence from the taxpayer (or nontaxable entity) sufficient to show satisfaction of the requirement of this paragraph (a).

(b) *Copy or record to be retained.* The person who is an income tax return preparer of any return or claim for refund shall—

(1) (i) Retain a completed copy of the return or claim for refund; or

(ii) Retain a record, by list, card file, or otherwise of the name, taxpayer identification number, and taxable year of the taxpayer (or nontaxable entity) for whom the return or claim for refund was prepared and the type of return or claim for refund prepared;

(2) Retain a record, by retention of a copy of the return or claim for refund, maintenance of a list or card file, or otherwise, for each return or claim for refund presented to the taxpayer (or nontaxable entity) of the name of the individual preparer required to sign the return or claim for refund pursuant to § 1.6695-1(b); and

(3) Make the copy or record of returns and claims for refund and record of the individuals required to sign available for inspection upon request by the district director.

The material described in this paragraph (b) shall be retained and kept available for inspection for the 3-year period following the close of the return period during which the return or claim for refund was presented for signature to the taxpayer (or nontaxable entity). However, in the case of a return which becomes due (with extensions, if any) during a return period following the return period during which the return was presented for signature, the material shall be retained and kept available for inspection for the 3-year period following the close of the later return period in which the return became due. For the definition of "return period" see section 6060(c). If the person subject to the record retention requirements of this paragraph (b) is a corporation or a partnership which is dissolved before completion of the 3-year period, then all persons who under state law are responsible for the winding up of the affairs of the corporation or partnership shall be subject, on behalf of the corporation or partnership, to these record retention requirements until completion of the 3-year period. If state law does not specify any person or persons as responsible for winding up, then, collectively, the directors or general partners shall be subject, on behalf of the corporation or partnership, to the record retention requirements of this paragraph (b). For purposes of the penalty imposed by section 6695(d), such designated persons shall be deemed to be the income tax return preparer and will be jointly and severally liable for each failure.

(c) *Preparer.* For the definition of "income tax return preparer", see section 7701(a)(36) and § 301.7701-15. For purposes of applying this section, in the case of—

(1) An employment arrangement between two or more income tax return preparers, the person who employs (or engages) one or more other preparers to prepare for compensation any return or claim for refund other than for the person shall be considered to be the sole income tax return preparer; and

(2) A partnership arrangement for the preparation of returns and claims for refund, the partnership shall be considered to be the sole income tax return preparer.

(d) *Penalties.* (1) For the civil penalty for failure to furnish a copy of the return or claim for refund to the taxpayer (or nontaxable entity) as required under paragraphs (a) and (c) of this section, see section 6695(a) and § 1.6695-1(a).

(2) For the civil penalty for failure to retain a copy of the return or claim for refund, or to retain a record as required under paragraphs (b) and (c) of this section, see section 6695(d) and § 1.6695-1(d).

§ 1.6109-2 Furnishing identifying number of income tax return preparer.

(a) *Furnishing identifying number.* Each return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 prepared by one or more income tax return preparers shall bear the identifying number of the preparer required by § 1.6695-1(b) to sign the return or claim for refund. In addition, if there is a partnership or employment arrangement between two or more preparers, the identifying number of the partnership or the person who employs (or engages) one or more other persons to prepare for compensation the return or claim for refund shall also appear on the return or claim for refund. If the preparer is—

(1) An individual (not described in subparagraph (2) of this paragraph (a)) who is a citizen or resident of the United States, such preparer's social security account number shall be affixed; and

(2) A person (whether an individual, corporation, or partnership) who employs (or engages) one or more persons to prepare the return or claim for refund (other than for the person), or who is not a citizen or resident of the United States and also is not employed or engaged by another preparer, such preparer's employer identification number shall be affixed.

For the definition of the term "income tax return preparer" (or "preparer") see section 7701(a)(36) and § 301.7701-15.

(b) *Furnishing address.* (1) Each return or claim for refund which is prepared by one or more income tax return preparers shall bear the street address, city, State, and postal ZIP code of that preparer's place of business where the preparation of the return or claim for refund was completed. However, if this place of business is not maintained on a year-round basis, the return or claim for refund shall bear the street address, city, State, and postal ZIP code of such preparer's principal office or business location which is maintained on a year-round basis, or if none, that preparer's residence.

(2) For purposes of satisfying the requirement of the first sentence of paragraph (b)(1) of this section, an income tax return preparer may, on returns and claims for refund, disclose only the postal ZIP code of the described place of business as a satisfactory address, but only if the preparer first by written notice advises each affected Internal Revenue Service Center that he intends to follow this practice.

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(c) *Penalty.* For the civil penalty for failure to furnish an identifying number as required under paragraph (a) of this section, see section 6695(c) and § 1.6695-1(c).

§ 1.6694-1 Understatement of taxpayer's liability by income tax return preparer.

(a) *Negligent or intentional disregard of rules and regulations.* (1) If any part of an understatement of liability relating to a return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 is due to negligent or intentional disregard of one or more rules or regulations by one or more income tax return preparers of the return or claim for refund, each such preparer shall be subject to a separate penalty of $100. However, an employer or partnership of a preparer subject to this penalty is not also subject to the penalty, unless the employer or partnership (or one or more of its chief officers or general partners) also participated in the negligent or intentional disregard of one or more rules or regulations. A preparer is not considered to have negligently or intentionally disregarded a rule or regulation if the preparer exercises due diligence in an effort to apply the rules and regulations to the information given to the preparer to determine the taxpayer's correct liability for tax.

(2) For the definition of the term "understatement of liability", see section 6694(e) and paragraph (d) of this section.

(3) The term "rules or regulations" includes the provisions of the Internal Revenue Code of 1954, the Treasury regulations issued under the Code, and Internal Revenue Service revenue rulings published in the Cumulative Bulletin.

(4) If a preparer in good faith and with reasonable basis takes the position that a rule or regulation does not accurately reflect the Code and does not follow it, the preparer has not negligently or intentionally disregarded the rule or regulation. This test shall be applied in the same manner as it is applied under section 6653(a) and the regulations thereunder (relating to disregard of rules and regulations by taxpayers). For example, if a preparer reasonably takes the position in good faith that a revenue ruling does not accurately reflect the Code, the preparation of a return or claim for refund by the preparer in conflict with the revenue ruling is not a negligent or intentional disregard of the revenue ruling. For purposes of this paragraph (a), the view of the taxpayer concerning a rule or regulation is not material.

(5) In any proceeding with respect to the penalty imposed by this paragraph (a), the preparer shall bear the burden of proof on the issue whether the preparer has negligently or intentionally disregarded a rule or regulation. If the preparer presents evidence that the normal practice of the preparer concerning the treatment of a particular credit, allowance, deduction, or item of income was not negligent and that this normal practice was followed, the preparer has satisfied the burden of proof that he did not negligently disregard a rule or regulation, unless the Internal Revenue Service presents contrary evidence.

(b) *Willful understatement of liability.* (1) If any part of an understatement of liability relating to a return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 is due to a willful attempt in any manner to understate liability for tax by one or more income tax return preparers of the return or claim for refund, each such preparer shall be subject to a separate penalty of $500. However, an employer or partnership of a preparer subject to this penalty is not also subject to the penalty, unless the employer or partnership (or one or more of its chief officers or general partners) also participated in the willful attempt to understate liability.

(2) (i) A preparer is considered to have willfully attempted to understate liability if the preparer disregards information furnished by the taxpayer or other persons in an attempt wrongfully to reduce the tax liability of the taxpayer. For example, if a preparer disregards information concerning certain items of taxable income furnished by the taxpayer or other persons, the preparer would be subject to the penalty. Similarly, if a taxpayer states to a preparer that the taxpayer has only two dependents, and the preparer reports six dependents on the return, the preparer would be subject to the penalty.

(ii) Generally, in preparing a return, the preparer may in good faith rely without verification upon information furnished by the taxpayer. To avoid the penalty, the preparer is not required to examine or review documents or other evidence in order to verify independently the taxpayer's information. However, the preparer may not ignore the implications of information furnished. The preparer shall make reasonable inquiries if the information as furnished appears to be incorrect or incomplete. Additionally, many sections of the Code require the existence of specific facts and circumstances, such as maintenance of specific documentation, before a deduction may be properly claimed. The preparer shall make appropriate inquiries of the taxpayer to determine the existence of facts and circumstances required by a Code section or regulations incident to claiming a deduction.

(iii) For example, assume that a taxpayer, during the tax interview conducted by a preparer, stated that he had paid $2,500 in doctor bills and $4,000 in deductible travel and entertainment expenses during the tax year when in fact he had paid smaller amounts. On the basis of the information, the preparer properly calculated deductions for medical expenses and for travel and entertainment expenses which resulted in an understatement of liability for tax. The preparer had no reason to believe that the medical expense and travel and entertainment expense information presented was incorrect or incomplete. The preparer did not ask for underlying documentation of the medical expenses and, upon inquiry, was reasonably satisfied by the taxpayer's representations that the taxpayer had adequate records (or other sufficient corroborative evidence) for the deduction of $4,000 for travel and entertainment expenses. The preparer is not subject to the penalty.

(iv) In certain situations, a preparer shall be subject both to a penalty under paragraph (a) of this section for intentional disregard of rules and regulations and to a penalty under this paragraph (b) for willful understatement of liability. A penalty for willful understatement of liability may be based on an intentional disregard of rules and regulations. For example, a preparer who claims a personal exemption deduction for the taxpayer's mother with knowledge that the taxpayer is not entitled to the deduction will have both intentionally disregarded rules and regulations within the meaning of paragraph (a) of this section and willfully understated liability for tax within the meaning of this paragraph (b).

(3) For the definition of the term "understatement of liability", see section 6694(e) and paragraph (d) of this section.

(4) If a penalty is assessed against a preparer, and collected at least in part, under paragraph (a) of this section for a return or claim for refund, then the amount of a penalty for which the preparer may be subject under this paragraph (b) for the same return or claim for refund is $500, reduced by the amount collected under paragraph (a) of this section for the return or claim for refund.

(5) In any proceeding with respect to the penalty imposed by this paragraph (b), the Internal Revenue Service shall bear the burden of proof on the issue whether the preparer has willfully attempted to understate the liability for tax. See section 7427.

(c) *Abatement of penalty where taxpayer's liability not understated.* If a penalty or penalties under section 6694(a) and paragraph (a) of this section or under section 6694(b) and paragraph (b) of this section concerning a return or claim for refund have been assessed against one or more income tax return preparers, and if at any time in a final administrative determination or a final judicial decision it is established that there was no understatement of liability relating to the return or claim for refund, then—

(1) The assessment shall be abated; and

(2) If any amount of the penalty or penalties was paid, that amount shall be refunded to the person or persons who so paid, as if the payment were an overpayment of tax, without consideration of any period of limitations.

(d) *Understatement of liability defined.* For purposes of this section, an "understatement of liability" exists, if viewing the return or claim for refund as a whole, there is an understatement of the net amount payable of any tax under subtitle A of the Internal Revenue Code of 1954, or an overstatement of the net amount creditable or refundable of any tax under subtitle A of the Internal Revenue Code of 1954. Tax under subtitle A of the Internal Revenue Code of 1954 does not include the additions to the tax provided by section 6654 and section 6655 (relating to underpayment of estimated tax). Except as provided in paragraph (c) of this section, the determination of whether an understatement of liability exists may be made in a proceeding involving the preparer apart from any proceeding involving the taxpayer.

§ 1.6694-2 Extension of period of collection where preparer pays 15 percent of a penalty for understatement of taxpayer's liability and certain other procedural matters.

(a) *In general.* (1) The Internal Revenue Service shall investigate the preparation by the income tax return preparer of the return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 and shall send a report of examination to the preparer before the assessment of either—

(i) The penalty for negligent or intentional disregard of rules and regulations under § 1.6694-1(a); or

(ii) The penalty for willful understatement of liability under § 1.6694-1(b).

Unless the period of limitation (if any) under section 6696(d) may expire without adequate opportunity for assessment, the Internal Revenue Service shall also, before the

assessment of either penalty, send a 30-day letter to the preparer notifying him of the proposed penalty or penalties and offering an opportunity to the preparer to request further administrative consideration and a final administrative determination by the Internal Revenue Service concerning the assessment. If the preparer then makes a timely request, assessment may not be made until the Internal Revenue Service makes a final administrative determination adverse to the preparer.

(2) If the Internal Revenue Service assesses either of the two penalties described in paragraph (a)(1) (i) and (ii) of the section, it shall send to the preparer a statement of notice and demand, separate from any notice of a tax deficiency, for payment of the amount assessed.

(3) Within 30 days after the day on which notice and demand of either of the two penalties described in paragraph (a)(1) (i) and (ii) of this section is made against the preparer, that preparer shall either—

(i) Pay the entire amount assessed (and may file a claim for refund of the amount paid at any time not later than 3 years after the date of payment); or

(ii) Pay an amount which is not less than 15 percent of the entire amount assessed and shall file a claim for refund of the entire amount paid.

(4) If the preparer pays an amount and files a claim for refund under paragraph (a)(3)(ii) of this section, the Internal Revenue Service may not make, begin, or prosecute a levy or proceeding in court for collection of the unpaid remainder of the amount assessed until—

(i) A date which is more than 30 days after the earlier of—

(A) The day on which the preparer's claim for refund is denied; or

(B) The expiration of 6 months after the day on which the preparer filed the claim for refund; and

(ii) Final resolution of any proceeding begun as provided in paragraph (b) of this section.

Final resolution of a proceeding includes any settlement between the Internal Revenue Service and the preparer, any final determination by the court (for which the period for appeal, if any, has expired), and, generally, the types of determinations provided under section 1313(a) (relating to taxpayer deficiencies). Notwithstanding section 7421(a) (relating to suits to restrain assessment or collection), the beginning of a levy or proceeding in court by the Internal Revenue Service in contravention of this subparagraph (4) may be enjoined by a proceeding in the proper court.

(b) *Preparer must bring suit in district court to determine liability for penalty.* (1) If, within 30 days after the earlier of—

(i) The day on which the preparer's claim for refund filed under paragraph (a)(3)(ii) of this section is denied; or

(ii) The expiration of 6 months after the day on which the preparer filed the claim for refund the preparer fails to begin a proceeding for refund in the appropriate United States district court, then the Internal Revenue Service may proceed with collection of the amount of the penalty not paid under paragraph (a)(3)(ii) of this section.

(2) (i) If the preparer begins a proceeding for refund within the applicable 30-day period of paragraph (b)(1) of this section, then the Internal Revenue Service may not make, begin, or prosecute a levy or proceeding in court for collection of the unpaid remainder of the penalty until final resolution of the proceeding.

(ii) If the preparer begins a proceeding for refund under this paragraph (b), then the Internal Revenue Service need not bring a counterclaim in the proceeding for the unpaid remainder of the penalty, because any judicial decision on the refund will apply as well to the unpaid remainder of the penalty.

(c) *Suspension of running of period of limitations on collection.*—The running of the period of limitations provided in section 6502 on the collection by the levy or by a proceeding in court of the unpaid amount of a penalty or penalties described in § 1.6694-1 (a) or (b) shall be suspended for the period during which the Internal Revenue Service, under paragraphs (a)(4) and (b)(2)(i) of this section, may not collect the unpaid amount of the penalty or penalties by levy or a proceeding in court.

§ 1.6695-1 Other assessable penalties with respect to the preparation of income tax returns for other persons.

(a) *Failure to furnish copy to taxpayer.* (1) A person who is an income tax return preparer of any return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 and who fails to satisfy the requirement imposed upon him by section 6107(a) and § 1.6107-1(a) and (c) to furnish a copy of the return or claim for refund to the taxpayer (or nontaxable entity) shall be subject to a penalty of $25 for the failure, unless it is shown that the failure is due to reasonable cause and not due to willful neglect. Thus, no penalty may be imposed under section 6695(a) and this paragraph (a)(1) upon a person who is an income tax return preparer solely by reason of—

(i) Section 301.7701-15(a)(2) and (b) on account of having given advice on specific issues of law; or

(ii) Section 301.7701-15(b)(3) on account of having prepared the return solely because of having prepared another return which affects amounts reported on the return.

(2) No penalty may be imposed under section 6695(a) and paragraph (a)(1) of this section upon an income tax return preparer who furnishes a copy of the return or claim for refund to a taxpayer—

(i) Who holds an elected or politically appointed position with the government of the United States or a State or political subdivision thereof; and

(ii) Who, in order faithfully to carry out his official duties, has so arranged his affairs that he has less than full knowledge of the property which he holds or of the debts for which he is responsible, if information is deleted from the copy in order to preserve or maintain this arrangement.

(b) *Failure to sign return.* (1) An individual who is an income tax return preparer with respect to a return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 shall manually sign the return or claim for refund (which may be a photocopy) in the appropriate space provided on the return or claim for refund after it is completed and before it is presented to the taxpayer (or nontaxable entity) for signature. Except as provided in paragraph (b)(4)(iii) of this section, an individual preparer may not satisfy this requirement by use of a facsimile signature stamp or signed gummed label. If the preparer is unavailable for signature, another preparer shall review the entire preparation of the return or claim for refund, and then shall manually sign the return or claim for refund.

(2) If more than one income tax return preparer is involved in the preparation of the return or claim for refund, the individual preparer who has the primary responsibility as between or among the preparers for the overall substantive accuracy of the preparation of such return or claim for refund shall be considered to be the income tax return preparer for purposes of this paragraph.

(3) The application of paragraph (b) (1) and (2) of this section is illustrated by the following examples:

Example (1). X law firm employs Y, a lawyer, to prepare for compensation returns and claims for refund of taxes. X is employed by T, a taxpayer, to prepare his 1977 Federal tax return. X assigns Y to prepare T's return. Y obtains the information necessary for completing the return from T and makes determinations with respect to the proper application of the tax laws to such information in order to determine T's tax liability. Y then forwards such information to C, a computer tax service which performs the mathematical computations and prints the return form by means of computers. C then sends the completed return to Y who reviews the accuracy of the return. Y is the individual preparer who is primarily responsible for the overall accuracy of T's return. Y must sign the return as preparer.

Example (2). X partnership is a national accounting firm which prepares for compensation returns and claims for refund of taxes. A and B, employees of X, are involved in preparing the 1977 tax return of T Corporation. After they complete the return, including the gathering of the necessary information, the proper application of the tax laws to such information, and the performance of the necessary mathematical computations, C, a supervisory employee of X, reviews this return. As part of this review, C reviews the information provided and the application of the tax laws to this information. The mathematical computations and carried-forward amounts are proved by D, an employee in X's comparing and proving department. The policies and practices of X require that P, a partner, finally review the return. The scope of P's review includes reviewing the information provided by applying to this information his knowledge of T's affairs, observing that X's policies and practices have been followed, and making the final determination with respect to the proper application of the tax laws to determine T's tax liability. P may or may not exercise these responsibilities, or may exercise them to a greater or lesser extent, depending on the degree of complexity of the return, his confidence in C (or A and B), and other factors. P is the individual preparer who is primarily responsible for the overall accuracy of T's return. P must sign the return as preparer.

Example (3). C Corporation maintains an office in Seattle, Washington, for the purpose of preparing for compensation returns and claims for refund of taxes. C makes compensatory arrangements with individuals (but provides no working facilities) in several

States to collect information from taxpayers and to make determinations with respect to the proper application of the tax laws to the information in order to determine the tax liabilities of such taxpayers. E, an individual, who has such an arrangement in Los Angeles with C, collects information from T, a taxpayer, and completes a worksheet kit supplied by C which is stamped with E's name and an identification number assigned to E by C. In this process, E classifies this information in appropriate income and deduction categories for the tax determination. The completed worksheet kit signed by E, is then mailed to C. D, an employee in C's office, reviews the worksheet kit to make sure it was properly completed. D does not review the information obtained from T for its validity or accuracy. D may, but did not, make the final determination with respect to the proper application of tax laws to the information. The data from the worksheet is entered into a computer and the return form is completed. The return is prepared for submission to T with filing instructions. E is the individual preparer primarily responsible for the overall accuracy of T's return. E must sign the return as preparer.

Example (4). X employs A, B, and C to prepare income tax returns for taxpayers. After A and B have collected the information from the taxpayer and applied the tax laws to the information, the return form is completed by computer service. On the day the returns prepared by A and B are ready for their signatures, A is away from the city for 1 week on another assignment and B is on detail to another office for the day. C may sign the returns prepared by A, provided that (i) C reviews the information obtained by A relative to the taxpayer, and (ii) C reviews the preparation of each return prepared by A. C may not sign the returns prepared by B because B is available.

(4) (i) The manual signature requirement of paragraph (b) (1) and (2) of this section may be satisfied by a photocopy of a copy of the return or claim for refund which copy is manually signed by the preparer after completion of its preparation. After a copy of the return or claim for refund is signed by the preparer and before it is photocopied, no person other than the preparer may alter any entries on the copy other than to correct arithmetical errors discernible on the return or claim for refund. The employer of the preparer or the partnership in which the preparer is a partner, or the preparer (if not employed or engaged by a preparer and not a partner of a partnership which is a preparer), shall retain the manually signed copy of the return or claim for refund. A record of any arithmetical errors corrected shall be retained by the person required to retain the manually signed copy of the return or claim for refund and made available upon request.

(ii) If mechanical preparation of the return or claim for refund is accomplished by computer not under the control of the individual preparer, then the manual signature requirement of paragraph (b) (1) and (2) of this section may be satisfied by a manually signed attestation by the individual preparer attached to the return or claim for refund that all the information contained in the return or claim for refund was obtained from the taxpayer and is true and correct to the best of his knowledge, but only if that information (including any supplemental written information provided and signed by the preparer) is not altered on the return or claim for refund by another person. For purposes of the preceding sentence, the correction of arithmetical or clerical errors, discernible from the information submitted by the preparer does not constitute an alteration. The information submitted by the preparer shall be retained by the employer of the preparer or by the partnership in which the preparer is a partner, or by the preparer (if not employed or engaged by a preparer and not a partner in a partnership which is a preparer). A record of any arithmetical or clerical errors corrected shall be retained by the person required to retain the information submitted by the preparer and made available upon request.

(iii) A preparer of a return or claim for refund for a nonresident alien individual taxpayer who is authorized to sign the return or claim for refund for the taxpayer may satisfy the manual signature requirement of paragraph (b) (1) and (2) of this section by a facsimile signature if the preparer is permitted to use a facsimile signature in signing the return or claim for refund for the taxpayer. This subdivision (iii) shall apply only if the preparer submits to the Internal Revenue Service with the returns or claims for refund bearing the preparer's facsimile signature a letter, manually signed by the preparer, identifying by taxpayer name and identification number each return or claim for refund bearing the facsimile signature and declaring that the facsimile signature appearing on these returns or claims for refund is the signature used by the preparer to sign these documents. After the facsimile signature is affixed, no person other than the preparer may alter any entries on the return or claim for refund other than to correct arithmetical errors discernible on the return or claim for refund. The employer of the preparer or the partnership in which the preparer is a partner, or the preparer (if not employed or engaged by a preparer and not a partner in a partnership which is a preparer) shall retain a manually signed copy of the letter submitted to the Internal Revenue Service with the returns or claims for refund. A record of any arithmetical errors corrected shall be retained by the person required to retain the manually signed letter and made available upon request.

(iv) Any items required to be retained and kept available for inspection under subdivision (i), (ii), or (iii) of this subparagraph (4) shall be retained and kept available for inspection for the same period that the material described in § 1.6107-1(b) must be retained and kept available for inspection.

(v) If the district director determines that a preparer or preparers have abused the permissive signature rules of this subparagraph (4) such as by altering the return or claim for refund after signature (in contravention of subdivision (i) of this subparagraph), by altering information on the return or claim for refund after attestation (in contravention of subdivision (ii) of this subparagraph), or by failing to comply with the provisions of subdivision (iii) of this subparagraph, then the district director may, by written notice, prospectively deny to the preparer or preparers the right to use these permissive signature rules.

(5) An individual required by this paragraph (b) to sign a return or claim for refund shall be subject to a penalty of $25 for each failure to sign, unless it is shown that the failure is due to reasonable cause and not due to willful neglect. For purposes of this paragraph, "reasonable cause" is a cause which arises despite ordinary care and prudence exercised by the individual preparer. Thus, no penalty may be imposed under section 6695(b) and this paragraph (b) upon a person who is an income tax return preparer solely by reason of—

(i) Section 301.7701-15 (a)(2) and (b) on account of having given advice on specific issues of law; or

(ii) Section 301.7701-15(b)(3) on account of having prepared the return solely because of having prepared another return which affects amounts reported on the return. If the preparer asserts reasonable cause for failure to sign, the Service shall require a written statement in substantiation of the preparer's claim of reasonable cause.

(c) *Failure to furnish identifying number.* (1) A person who is an income tax return preparer of any return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 and who fails to satisfy the requirement of section 6109(a)(4) and § 1.6109-2(a) to furnish one or more identifying numbers of preparers on a return or claim for refund shall be subject to a penalty of $25 for the failure, unless it is shown that the failure is due to reasonable cause and not due to willful neglect. Thus, no penalty may be imposed under section 6695(c) and this paragraph (c)(1) upon a person who is an income tax return preparer solely by reason of—

(i) Section 301.7701-15 (a)(2) and (b) on account of having given advice on specific issues of law; or

(ii) Section 301.7701-15(b)(3) on account of having prepared the return solely because of having prepared another return which affects amounts reported on the return.

(2) No penalty may be imposed under section 6695(c) and paragraph (c)(1) of this section upon—

(i) A preparer who is employed (or engaged) by a person who is also a preparer of the return or claim for refund, or

(ii) A preparer who is a partner in a partnership which is also a preparer of the return or claim for refund.

(3) No more than one penalty of $25 may be imposed under section 6695(c) and paragraph (c)(1) of this section with respect to a single return or claim for refund.

(d) *Failure to retain copy or record.* (1) A person who is an income tax return preparer of any return of tax under subtitle A of the Internal Revenue Code of 1954 or claim for refund of tax under subtitle A of the Internal Revenue Code of 1954 and who fails to satisfy the requirements imposed upon him by section 6107(b) and § 1.6107-1 (b) and (c) (other than the record requirement described in both § 1.6107-1(b) (2) and (3)) to retain and make available a copy of the return or claim for refund, or to include the return or claim for refund in a record of returns and claims for refund and make the record available for inspection, shall be subject to a penalty of $50 for the failure, unless it is shown that the failure is due to reasonable cause and not due to willful neglect. Thus, no penalty may be imposed under section 6695(d) and this paragraph (d) (1) upon a person who is an income tax return preparer solely by reason of—

(i) Section 301.7701-15 (a)(2) and (b) on account of having given advice on specific issues of law; or

(ii) Section 301.7701-15(b)(3) on account of having prepared the return solely because of having prepared another return which affects amounts reported on the return.

(2) A person may not, for returns or claims for refund presented to the taxpayers (or nontaxable entities) during any single return period, be subject to more than $25,000 in penalties under section 6695(d) and paragraph (d)(1) of this section.

(e) *Failure to comply with reporting requirements.* A person who is subject to the reporting requirements of section 6060 and § 1.6060-1 and who fails to satisfy these requirements shall be subject to the following penalties, unless it is shown that the failure is due to reasonable cause and not due to willful neglect.

(1) $100, for failure to retain and make available a record of the preparers employed (or engaged) during a return period as required under § 1.6060-1, plus

(2) $5, for each failure to include a required item in the record required to be retained and made available under § 1.6060-1.

A person may not, for failure to satisfy the reporting requirements with respect to any single return period, be subject to more than $20,000 in penalties under section 6695(e) and this section.

(3) The amount of any penalty under section 6695(e) and this section for failure to retain and make available a record of the preparers employed (or engaged) during a return period or for failure to include a required item in that record must be assessed within 3 years after the close of the return period to which the record relates, and no proceeding in court without assessment for the collection of the penalty may be begun after the expiration of this period.

(f) *Negotiation of check.* (1) No person who is an income tax return preparer may endorse or otherwise negotiate, directly or through an agent, a check for the refund of tax under subtitle A of the Internal Revenue Code of 1954 which is issued to a taxpayer other than the preparer if the person was a preparer of the return or claim for refund which gave rise to the refund check.

(2) Section 6695(f) and paragraph (f)(1) and (3) of this section do not apply to a preparer-bank which—

(i) Cashes a refund check and remits all of the cash to the taxpayer or accepts a refund check for deposit in full to a taxpayer's account, so long as the bank does not initially endorse or negotiate the check (unless the bank has made a loan to the taxpayer on the basis of the anticipated refund); or

(ii) Endorses a refund check for deposit in full to a taxpayer's account pursuant to a written authorization of the taxpayer (unless the bank has made a loan to the taxpayer on the basis of the anticipated refund).

A preparer-bank may also subsequently endorse or negotiate a refund check as a part of the check-clearing process through the financial system after initial endorsement or negotiation.

(3) The preparer shall be subject to a penalty of $500 for each endorsement or negotiation of a check prohibited under section 6695(f) and paragraph (f)(1) of this section.

PART 301—PROCEDURE AND ADMINISTRATION

§ 301.7216-1 Penalty for disclosure or use of tax return information.

(a) *In general.* Section 7216(a) provides in effect that, except as provided in section 7216(b), any tax return preparer (as described in paragraph (b)(2) of this section) who on or after January 1, 1972, discloses or uses any tax return information (as described in paragraph (b)(3) of this section) other than for the specific purpose of preparing, assisting in preparing, or obtaining or providing services in connection with the preparation of, any tax return of the taxpayer by or for whom the information was made available to a tax return preparer, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $1,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution. Pursuant to section 7216(b), the provisions of section 7216(a) and this paragraph do not apply to any disclosure or use permitted under § 301.7216-2 or § 301.7216-3.

(b) *Definitions.* For purposes only of section 7216 and § 301.7216-1 through 301.7216-3—

(1) *Tax return.* The term "tax return" means any return (or amended return) of the income tax imposed by chapter 1 or 2 of the Code, or any declaration (or amended declaration) of estimated tax made under section 6015.

(2) *Tax return preparer.* (i) The term "tax return preparer" means any person—

(A) Who is engaged in the business of preparing tax returns,

(B) Who is engaged in the business of providing auxiliary services in connection with the preparation of tax returns,

(C) Who is remunerated for preparing, or assisting in preparing, a tax return for any other person, or

(D) Any individual who, as part of his duties or employment with any person described in (A), (B), or (C) of this subdivision, performs services which assist in the preparation of, or assist in providing auxiliary services in connection with the preparation of, a tax return.

For example, assume that a bank is a tax return preparer within the meaning of (A) of this subdivision and it employs one individual to solicit the necessary tax return information for the preparation of a tax return and another individual to prepare the return on the basis of the information that is furnished. Under these circumstances, both employees are tax return preparers. Also, for example, a secretary to a tax return preparer who types or otherwise works on returns prepared by the preparer is a tax return preparer.

(ii) A person is engaged in the business of preparing tax returns as described in subdivision (i)(A) of this subparagraph if, in the course of his business, he holds himself out to taxpayers as a person who prepares tax returns, whether or not tax return preparation is his sole business activity and whether or not he charges a fee for such services.

(iii) A person is engaged in the business of providing auxiliary services in connection with the preparation of tax returns as described in subdivision (i)(B) of this subparagraph if, in the course of his business, he holds himself out to tax return preparers or to taxpayers as a person who performs such auxiliary services, whether or not providing such auxiliary services is his sole business activity and whether or not he charges a fee for such services. For example, a person part or all of whose business is to provide a computerized tax return processing service based on tax return information furnished by another person is a tax return preparer.

(iv) A tax return preparer described in subdivision (i)(C) of this subparagraph includes any person who—

(A) For remuneration but not in the course of a business prepares a tax return for another person, or

(B) For remuneration and on a casual basis helps a relative, friend, or other acquaintance to prepare the latter's tax return.

(v) A person is not a tax return preparer merely because he leases office space to a tax return preparer, furnishes credit to a taxpayer whose tax return is prepared by a tax return preparer, or otherwise performs some service which only incidentally relates to the preparation of tax returns. For example, assume that a tax return preparer contracts with a department store for the rental of space in the store, and that the store advertises that taxpayers who use the tax return preparation service may charge the cost of having their tax return prepared to their charge account with the department store. Under such circumstances, the department store is not a tax return preparer.

(3) *Tax return information.* The term "tax return information" means any information, including but not limited to a taxpayer's name, address, or identifying number, which is furnished in any form or manner by a taxpayer for, or in connection with, the preparation of a tax return of such taxpayer. Information furnished by a taxpayer includes information which is furnished on behalf of the taxpayer by any person; for example, any person required under section 6012 to make a return for such taxpayer, such as a guardian for a minor, by a duly authorized agent for his principal, by a fiduciary for an estate or trust, or by a receiver, trustee in bankruptcy, or assignee for a corporation.

§ 301.7216-2 Disclosure or use without formal consent of taxpayer.

(a) *Disclosure pursuant to other provisions of Internal Revenue Code.* The provisions of section 7216(a) and § 301.7216-1 shall not apply to any disclosure of tax return information if such disclosure is made pursuant to any other provision of the Code or the regulations thereunder. Thus, for example, the provisions of such sections do not apply to a disclosure pursuant to section 7269 to an officer or employee of the Internal Revenue Service of information concerning the estate of a decedent or a disclosure pursuant to section 7602 to an officer or employee of the Internal Revenue Service of books, papers, records, or other data which may be relevant to the liability of any person for the income tax.

(b) *Disclosure or use of information in the case of related taxpayers.* (1) A tax return preparer may use, in preparing a tax return of a second taxpayer, and may disclose to such second taxpayer in the form in which it appears on such return, any tax return information which the preparer obtained from a first taxpayer if—

(i) The second taxpayer is related to the first taxpayer within the meaning of subparagraph (2) of this paragraph,

(ii) The first taxpayer's tax interest in such information is not adverse to the second taxpayer's interest in such information, and

(iii) The first taxpayer has not expressly prohibited such disclosure or use.

(2) For purposes of subparagraph (1) (i) of this paragraph, one taxpayer is related to another taxpayer if they have any one of the following relationships: husband and wife, child and parent, grandchild and grandparent, partner and partnership, trust or estate and beneficiary, trust or estate and fiduciary, corporation and shareholder, or members of a controlled group of corporations as defined in section 1563.

(3) See § 301.7216-3(a)(3) for disclosure or use of tax return information of the taxpayer in preparing the tax return of a second taxpayer where the requirements of this paragraph are not satisfied.

(c) *Disclosure pursuant to an order of a court or a Federal or State agency.* The provisions of section 7216(a) and § 301.7216-1 do not apply to any disclosure of tax return information if such disclosure is made pursuant to any one of the following documents:

(1) The order of any court of record, Federal, State, or local, or

(2) A subpoena issued by a grand jury, Federal or State, or

(3) An administrative order, demand, summons or subpoena which is issued in the performance of its duties by—

(i) Any Federal agency, or

(ii) A State agency, body, or commission charged under the laws of the State or a political subdivision of the State with the licensing, registration, or regulation of tax return preparers. Information must be clearly identified in the document in order to be disclosed under this paragraph (c).

(d) *Disclosure for use in revenue investigations or court proceedings.* A tax return preparer may disclose tax return information (1) to his attorney, or to an employee of the Internal Revenue Service, for use in connection with an investigation of such tax return preparer conducted by the Internal Revenue Service or (2) to his attorney, or to any officer of a court, for use in connection with proceedings involving such tax return preparer before the court, or before any grand jury which may be convened by the court.

(e) *Certain disclosure by attorneys and accountants.* The provisions of section 7216(a) and § 301.7216-1 do not apply to any disclosure of tax return information permitted by this paragraph (e).

(1) A tax return preparer who is lawfully engaged in the practice of law or accountancy and prepares a tax return for a taxpayer may use the tax return information of the taxpayer, or disclose such information to another employee or member of the preparer's law or accounting firm who may use it, to render other legal or accounting services to or for such taxpayer. Thus, for example, a lawyer who prepares a tax return for a taxpayer may use the tax return information of the taxpayer for, or in connection with, rendering legal services, such as estate planning or administration, or preparation of trial briefs or trust instruments, for the taxpayer or the estate of the taxpayer; or if another member of the same firm renders the other legal services for the taxpayer, the lawyer who prepared the tax return may disclose the tax return information to that other member for use in rendering those services for the taxpayer. In further illustration, an accountant who prepares a tax return for a taxpayer may use the tax return information, or disclose it to another member of the firm for use, for, or in connection with, the preparation of books of account, working papers, or accounting statements or reports to or for the taxpayer. Further, in the normal course of rendering such legal or accounting services to or for the taxpayer, the attorney or accountant may, with the express or implied consent of the taxpayer, make such tax return information available to third parties, such as stockholders, management, suppliers, or lenders.

(2) A tax return preparer who is lawfully engaged in the practice of law or accountancy and prepares a tax return for a taxpayer may (i) take such tax return information into account, and may act upon it, in the course of performing legal or accounting services for a client other than the taxpayer or (ii) disclose such information to another employee or member of the preparer's law or accounting firm to enable that other employee or member to take the information into account, and act upon it, in the course of performing legal or accounting services for a client other than the taxpayer, when such information is or may be relevant to the subject matter of such legal or accounting service for the other client and its consideration by those performing the services is necessary for the proper performance by them of such services. In no event, however, may such tax return information be disclosed to a person who is not an employee or member of the law or accounting firm unless such disclosure is exempt from the application of section 7216(a) and § 301.7216-1 by reason of another provision, other than this paragraph, of § 301.7216-2 or § 301.7216-3.

(3) The application of this paragraph may be illustrated by the following examples:

Example (1). A, a member of an accounting firm, renders an opinion on a financial statement of M Corporation that is part of a registration statement filed with the Securities and Exchange Commission. After the filing of such registration statement, but before its effective date, B, a member of the same accounting firm, prepares an income tax return for N Corporation. In the course of preparing such income tax return, B discovers that N does business with M and concludes that information he is given by N should be considered by A to determine whether the financial statement reported on by A contains an untrue statement of material fact or omitted to state a material fact required to keep the statement from being misleading. B discloses to A the tax return information of N for this purpose. A determines that there is an omission of material fact and that an amended statement should be filed. A so advises M and the Securities and Exchange Commission. A explains that the omission was revealed as a result of confidential information which came to A's attention after the statement was filed, but A does not disclose the identity of the taxpayer or the tax return information itself. Section 7216(a) and § 301.7216-1 do not apply to the foregoing disclosure of N's tax return information by B to A and the use of such information by A in advising M and the Securities and Exchange Commission of the necessity for filing an amended statement. Section 7216(a) and § 301.7216-1 would apply to a disclosure of N's tax return information to M or to the Securities and Exchange Commission unless such disclosure is exempt from the application of section 7216(a) and § 301.7216-1 by reason of another provision of either § 301.7216-2 or § 301.7216-3.

Example (2). A, a member of an accounting firm, is conducting an audit of M Corporation, and B, a member of the same accounting firm, prepares an income tax return for D, an officer of M. In the course of preparing such return, B obtains information from D indicating that D, pursuant to an arrangement with a supplier doing business with M, has been receiving from the supplier, a percentage of the amounts which the supplier invoices to M. B discloses this information to A who, acting upon it, searches in the course of the audit for indications of such kickback scheme. As a result, A discovers information from audit sources which also, but independently, indicates the existence of such a scheme. Without revealing the tax return information A has received from B, A brings to the attention of officers of M the audit information indicating the existence of the kickback scheme. Section 7216(a) and § 301.7216-1 do not apply to the foregoing disclosure of D's tax return information by B to A, the use by A of such information in the course of the audit, and the disclosure by A to M of the audit information indicating the existence of the kickback scheme. See also § 301.7216-2(j). Section 7216(a) and § 301.7216-1 would apply to a disclosure to M, or to any other person not an employee or member of the accounting firm, of D's tax return information furnished to B.

(f) *Corporate fiduciaries.* A trust company, trust department of a bank, or other corporate fiduciary which prepares a tax return for a taxpayer to or for whom it renders fiduciary, investment, or other custodial or management services may (1) disclose or use the tax return information of such taxpayer in the ordinary course of rendering such services to or for the taxpayer or (2), with the express or implied consent of the taxpayer, make such information available to the taxpayer's attorney, accountant, or investment advisor.

(g) *Disclosure to taxpayer's fiduciary.* If after furnishing tax return information to a tax return preparer the taxpayer dies or becomes incompetent, insolvent, or bankrupt, or his assets are placed in conservatorship or receivership, the tax return preparer may disclose such information to the duly appointed fiduciary of the taxpayer or his estate, or to the duly authorized agent of such fiduciary.

(h) *Disclosure by tax return preparer to tax return processor.* A tax return preparer may disclose tax return information of a taxpayer to another tax return preparer described in § 301.7216-1(b)(2)(i)(B) for the purpose of having the second tax return preparer transfer that information to, and compute the tax liability on, a tax return of such taxpayer by means of electronic, mechanical, or other form of tax return processing service.

(i) *Disclosure by one officer, employee, or member to another officer, employee, or member.* An officer, employee, or member of a tax return preparer may transfer any tax return information to another officer, employee, or member of the same tax return preparer for the purpose of performing services which assist in the preparation of, or assist in providing auxiliary services in connection with the preparation of, the tax return of a taxpayer by or for whom the information was furnished.

(j) *Identical information obtained from other sources.* The provisions of section 7216(a) and § 301.7216-1 shall not apply to the disclosure or use by a tax return preparer of information which is identical to any tax return information which has been furnished to him if such identical information was obtained otherwise than in connection with the preparation of, or providing auxiliary services in connection with the preparation of, a tax return.

(k) *Disclosure or use of information in preparation or audit of State returns.* The provisions of section 7216(a) and § 301-7216-1 shall not apply to the disclosure or use by any tax return preparer of any tax return information in the preparation or audit of, or in connection with the preparation or audit of, any tax return or declaration of estimated tax required of the taxpayer under the law of any State or political subdivision thereof, of the District of Columbia, or of any possession of the United States.

(l) *Retention of records.* A tax return preparer may retain tax return information of a taxpayer, including copies of tax returns or data processing tapes prepared on the basis of such tax return information, and may use such information in connection with the preparation of other tax returns of the taxpayer or in connection with an audit by the Internal Revenue Service of any tax return. The provisions of paragraph (m) of this section respecting the transfer of a taxpayer list apply also to the transfer of any records and related workpapers to which this paragraph applies.

(m) *Lists for solicitation of tax return business.* Any tax return preparer may compile and maintain a separate list containing the names and addresses of taxpayers whose tax returns he has prepared or processed. This list may be used by the compiler solely to contact the taxpayers on the list for the purpose of offering tax information or additional tax return preparation services to such taxpayers. The compiler of the list may not transfer the taxpayer list, or any part thereof, to any other person unless such transfer takes place in conjunction with the sale or other disposition of the tax return preparation business of such compiler. A person who acquires a taxpayer list, or a part thereof, in conjunction with such a sale or other disposition shall be subject to the provisions of this paragraph with respect to such list as if he had been the compiler of such list. The term "list," as used in this paragraph, includes any record or system whereby the names and addresses of taxpayers are retained.

(n) *Disclosure to report the commission of a crime.* The provisions of section 7216(a) and § 301.7216-1 do not apply to the disclosure of any tax return information to the proper Federal, State or local official in order, and to the extent necessary, to inform the official of activities which may constitute, or may have constituted, a violation of any criminal law. In addition, such a disclosure made in the bona fide but mistaken belief that the activities constituted a violation of criminal law is not subject to section 7216(a) and § 301.7216-1.

§ 301.7216-3 Disclosure or use only with formal consent of taxpayer.

(a) *Written consent to use or disclose*—(1) *Solicitation of other business.* (i) If a tax return preparer has obtained from the taxpayer a consent described in paragraph (b) of this section, he may use the tax return information of such taxpayer to solicit from the taxpayer any additional current business, in matters not related to the Internal Revenue Service, which the tax return preparer provides and offers to the public. The request for such consent may not be made later than the time the taxpayer receives his completed tax return from the tax return preparer. If the request is not granted, no follow up request may be made. This authorization to use tax return information of the taxpayer does not apply, however, for purposes of facilitating the solicitation of the taxpayer's use of any services or facilities furnished by a person other than the tax return preparer, unless such other person and the tax return preparer are members of the same affiliated group within the meaning of section 1504. Thus, for example, the authorization would not apply if the other person is a corporation which is owned or controlled directly or indirectly by the same interests which own or control the tax return preparer but which is not affiliated with the tax return preparer within the meaning of section 1504(a). Moreover, this authorization does not apply for purposes of facilitating the solicitation of additional business to be furnished at some indefinite time in the future, as, for example, the future sale of mutual fund shares or life insurance, or the furnishing of future credit card services. It is not necessary, however, that the additional business be furnished in the same locality in which the tax return information is furnished.

(ii) For prohibition against solicitation of employment in matters related to the Internal Revenue Service, see 31 CFR 10.30 (Treasury Department Circular No. 230) and § 8 of Rev. Proc. 81-38, 1981-2 C. B. 592.

(2) *Permissible disclosures to third parties.* If a tax return preparer has obtained from a taxpayer a consent described in paragraph (b) of this section, he may disclose the tax return information of such taxpayer to such third persons as the taxpayer may direct. However, see § 301.7216-2 for certain permissible disclosures without formal written consent.

(3) *Disclosure or use of information in connection with another person's return.* A tax return preparer may disclose or use any tax return information, which was obtained from a first taxpayer, in preparing a tax return of a second taxpayer if the tax return preparer has obtained from the first taxpayer a written consent described in paragraph (b) of this section. See § 301.7216-2(b) for disclosure or use in certain cases without formal consent.

(b) *Form of consent.* A separate written consent, signed by the taxpayer or his duly authorized agent or fiduciary, must be obtained for each separate use or disclosure authorized in paragraph (a)(1), (2), or (3) of this section and shall contain—

(1) The name of the tax return preparer,

(2) The name of the taxpayer,

(3) The purpose for which the consent is being furnished,

(4) The date on which such consent is signed,

(5) A statement that the tax return information may not be disclosed or used by the tax return preparer for any purpose (not otherwise permitted under § 301.7216-2) other than that stated in the consent, and

(6) A statement by the taxpayer, or his agent or fiduciary, that he consents to the disclosure or use of such information for the purpose described in subparagraph (3) of this paragraph.

(c) *Illustrations.* The application of this section may be illustrated by the following examples:

Example (1). In order to stimulate the making of loans, a bank advertises that it is in the business of preparing tax returns. A taxpayer goes to the bank to have his tax return prepared. After the return has been completed by the bank, the employee of the bank who obtained the tax return information from the taxpayer explains that the taxpayer owes an additional $400 in taxes and that the bank's loan department may be able to offer the taxpayer a loan to pay the tax due. If the taxpayer decides to accept the opportunity offered to apply for a loan, the bank must first have the taxpayer execute a written consent described in paragraph (b) of this section for the bank to use any of such information which is required in determining whether to make the tax loan.

Example (2). An individual who sells life insurance and shares in a mutual fund is also in the business of preparing tax returns. A taxpayer who has gone to the individual to have his tax return prepared is requested, at the time he picks up his completed tax return, to give his consent to the individual's use of his tax return information in connection with such individual's solicitation of the taxpayer's purchasing a life insurance policy and shares in the mutual fund. Before the individual may use such tax return information as a basis for soliciting such additional business from the taxpayer, the taxpayer must execute separate written consents under paragraph (b) of this section, one authorizing the use of such information as a basis for soliciting the sale of the mutual fund shares and a second authorizing the use of such information as a basis for soliciting the sale of the life insurance.

Example (3). The facts are the same as in example (2) except that the individual does not sell life insurance but does sell shares in several mutual funds. If the request is for the purpose of using the tax return information as a basis for soliciting the sale at one time of shares in mutual funds A and B, only one written consent under paragraph (b) of this section is required of the taxpayer. If, however, the request is for the purpose of using the tax return information as a basis for soliciting the sale of shares in fund A at one time, and the sale of shares in fund B at a later time, two written consents under such paragraph are required of the taxpayer.

§ 301.7701-15 Income tax return preparer.

(a) *In general.* An income tax return preparer is any person who prepares for compensation, or who employs (or engages) one or more persons to prepare for compensation, other than for the person, all or a substantial portion of any return of tax under subtitle A of the Internal Revenue Code of 1954 or any claim for refund of tax under subtitle A of the Internal Revenue Code of 1954.

(1) A person who furnishes to a taxpayer or other preparer sufficient information and advice so that completion of the return or claim for refund is largely a mechanical or clerical matter is considered an income tax return preparer, even though that person does not actually place or review placement of information on the return or claim for refund. See also paragraph (b) of this section.

(2) A person who only gives advice on specific issues of law shall not be considered an income tax return preparer, unless—

(i) The advice is given with respect to events which have occurred at the time the advice is rendered and is not given

with respect to the consequences of contemplated actions; and

(ii) The advice is directly relevant to the determination of the existence, characterization, or amount of an entry on a return or claim for refund. For example, if a lawyer gives an opinion on a transaction which a corporation has consummated, solely to satisfy an accountant (not at the time a preparer of the corporation's return) who is attempting to determine whether the reserve for taxes set forth in the corporation's financial statement is reasonable, the lawyer shall not be considered a tax return preparer solely by reason of rendering such opinion.

(3) A person may be an income tax return preparer without regard to educational qualifications and professional status requirements.

(4) A person must prepare a return or claim for refund for compensation to be an income tax return preparer. A person who prepares a return or claim for refund for a taxpayer with no explicit or implicit agreement for compensation is not a preparer, even though the person receives a gift or return service or favor.

(5) A person who prepares a return or claim for refund outside the United States is an income tax return preparer, regardless of his nationality, residence, or the locations of his places of business, if the person otherwise satisfies the definition of income tax return preparer. Notwithstanding the provision of § 301.6109-1(g), the person shall secure an employer identification number if he is an employer of another preparer, is a partnership in which one or more of the general partners is a preparer, or is an individual not employed (or engaged) by another preparer. The person shall comply with the provisions of section 1203 of the Tax Reform Act of 1976 and the regulations thereunder.

(6) An official or employee of the Internal Revenue Service performing his official duties is not an income tax return preparer.

(7) The following persons are not income tax return preparers:

(i) Any individual who provides tax assistance under a Volunteer Income Tax Assistance (VITA) program established by the Internal Revenue Service;

(ii) Any organization sponsoring or administering a Volunteer Income Tax Assistance (VITA) program established by the Internal Revenue Service, but only with respect to that sponsorship or administration;

(iii) Any individual who provides tax counseling for the elderly under a program established pursuant to section 163 of the Revenue Act of 1978; and

(iv) Any organization sponsoring or administering a program to provide tax counseling for the elderly established pursuant to section 163 of the Revenue Act of 1978, but only with respect to that sponsorship or administration.

(b) *Substantial preparation.* (1) Only a person (or persons acting in concert) who prepares all or a substantial portion of a return or claim for refund shall be considered to be a preparer (or preparers) of the return or claim for refund. A person who renders advice which is directly relevant to the determination of the existence, characterization, or amount of an entry on a return or claim for refund, will be regarded as having prepared that entry. Whether a schedule, entry, or other portion of a return or claim for refund is a substantial portion is determined by comparing the length and complexity of, and the tax liability or refund involved in, that portion to the length and complexity of, and the tax liability or refund involved in, the return or claim for refund as a whole.

(2) For purposes of applying the rule of paragraph (b)(1) of this section, if the schedule, entry or other portion of the return or claim for refund involves amounts of gross income, amounts of deductions, or amounts on the basis of which credits are determined which are—

(i) Less than $2,000; or

(ii) Less than $100,000, and also less than 20 percent of the gross income (or adjusted gross income if the taxpayer is an individual) as shown on the return or claim for refund, then the schedule or other portion is not considered to be a substantial portion. If more than one schedule, entry or other portion is involved, they shall be aggregated in applying the rule of this subparagraph (2). Thus, if a person, for an individual taxpayer's return, prepares a schedule for dividend income which totals $1,500 and gives advice making him a preparer of a schedule of medical expenses which results in a deduction for medical expenses of $1,500, the person is not a preparer if the taxpayer's adjusted gross income shown on the return is more than $15,000. This subparagraph shall not apply to a person who prepares all of a return or claim for refund.

(3) A preparer of a return is not considered to be a preparer of another return merely because an entry or entries reported on the return may affect an entry reported on the other return, unless the entry or entries reported on the prepared return are directly reflected on the other return and constitute a substantial portion of the other return. For example, the sole preparer of a partnership return of income or a small business corporation income tax return is considered a preparer of a partner's or a shareholder's return if the entry or entries on the partnership or small business corporation return reportable on the partner's or shareholder's return constitute a substantial portion of the partner's or shareholder's return.

(c) *Return and claim for refund—(1) Return.* A return of tax under subtitle A is a return filed by or on behalf of a taxpayer reporting the liability of the taxpayer for tax under subtitle A. A return of tax under subtitle A also includes an information return filed by or on behalf of a person or entity that is not a taxable entity and which reports information which is or may be reported on the return of a taxpayer of tax under subtitle A.

(i) A return of tax under subtitle A includes an individual or corporation income tax return, a fiduciary income tax return (for a trust or estate), a regulated investment company undistributed capital gains tax return, a return of a charitable remainder trust, a return by a transferor of stock or securities to a foreign corporation, foreign trust, or foreign partnership, a partnership return of income, a small business corporation income tax return, and a DISC return.

(ii) A return of tax under subtitle A does not include an estate tax return, a gift tax return, any other return of excise taxes or income taxes collected at source on wages, an individual or corporation declaration of estimated tax, an application for an extension of time to file an individual or corporation income tax return, or an information statement on Form 990, any Form 1099, or similar form.

(2) *Claim for refund.* A claim for refund of tax under subtitle A includes a claim for credit against any tax under subtitle A.

(d) *Persons who are not preparers.* A person shall not be considered to be a preparer of a return or claim for refund if the person performs only one or more of the following services:

(1) Typing, reproduction, or other mechanical assistance in the preparation of a return or claim for refund.

(2) Preparation of a return or claim for refund of a person, or an officer, a general partner, or employee of a person, by whom the individual is regularly and continuously employed or in which the individual is a general partner.

(3) Preparation of a return or claim for refund for a trust or estate of which the person either is a fiduciary or is an officer, general partner, or employee of the fiduciary.

(4) Preparation of a claim for refund for a taxpayer in response to—

(i) A notice of deficiency issued to the taxpayer; or

(ii) A waiver of restriction after initiation of an audit of the taxpayer or another taxpayer if a determination in the audit of the other taxpayer affects, directly or indirectly, the liability of the taxpayer for tax under subtitle A. For purposes of paragraph (d)(2) of this section, the employee of a corporation owning more than 50 percent of the voting power of another corporation, or the employee of a corporation more than 50 percent of the voting power of which is owned by another corporation, is considered the employee of the other corporation as well. For purposes of paragraph (d)(3) of this section, an estate, guardianship, conservatorship, committee, and any similar arrangement for a taxpayer under a legal disability (such as a minor, an incompetent, or an infirm individual) is considered a trust or estate.

§ 301.7701-16 Other terms.

For a definition of the term "withholding agent" see § 1.1441-7(a). Any other terms that are defined in section 7701 and that are not defined in § 301.7701-1 to 301.7701-15, inclusive, shall, when used in this chapter, have the meanings assigned to them in section 7701.

General Requirements for Substitute Forms

- **Privately Designed and Printed,**
- **Computer-Prepared, and**
- **Computer-Generated**

In many cases, you must get IRS approval if you change IRS forms.

IRS is continuing its efforts to identify and contact tax return preparers who are using substitute forms that impede return processing.

The requirements for most substitute forms are explained in a revenue procedure, which is published annually in the fall and reprinted for public distribution as **Publication 1167**, Substitute Printed, Computer-Prepared and Computer-Generated Tax Forms and Schedules. Highlights of the requirements and permitted changes found in this revenue procedure are below. You can request a copy on Form 3975G.

Revenue procedures for other substitute forms have been issued as publications and may be obtained by using Form 3975G.

Office of Management and Budget (OMB) Requirements for Substitute Forms

The Paperwork Reduction Act of 1980 requires that: (1) OMB approves all Service tax forms, (2) each IRS form contains (in the upper right corner) the OMB approval number and any expiration date, and (3) each IRS form (or its instructions) states why IRS is collecting the information, how it will be used, and whether or not the information is required to be furnished. This information must be provided to every user of any official or substitute tax forms.

All substitute forms must contain in the upper right corner the OMB number and any expiration date that is on the official form.

You must also inform the users of your substitute forms of the Service use and collection requirements stated in the instructions for the official Service form. If you provide your users or customers with the official Internal Revenue Service instructions, page 1 of each form must retain the Paperwork Reduction Act Notice Statement as on the official forms (usually in the lower left corner of the forms). Otherwise, you must duplicate the material in the statement and add the phrase, "For Paperwork Reduction Act Notice, See Separate Instructions."

The OMB approval number, expiration date, and use and collection requirements may be obtained from the official printed form (or its instructions), the reproduction proof (or instructions), or from the Service.

Allowable and Unallowable Changes to and Uses for Tax Forms

Privately Designed and Printed Tax Forms

You can photocopy most tax forms and use them instead of the official ones. Generally, forms that totally conform to the requirements specified in the substitute forms revenue procedure may be privately printed without prior approval.

You can reproduce any current tax form as cut sheets, snap-sets, and marginally-punched, pin-fed forms, so long as you use an official Service version as the master copy. Official versions are supplied by the Service, such as those in Package X, those printed in revenue procedures, reproduction proofs sold by the Service, and over-the-counter forms available at IRS and other governmental public offices or buildings.

You can print and duplicate the substitute "worksheet" versions of Schedules A and B of Form 1040 (see exhibits in the revenue procedure). The Service will accept these substitute schedules instead of the official versions. These schedules serve different purposes. One allows the form to contain state tax information which is blocked out before filing with the Service. The other allows the form to be used singly or as part of a snap-set.

You cannot, without prior Service approval, **change** any Internal Revenue Service tax forms or use your own (non-approved) version, unless specifically permitted by this revenue procedure. Only minor changes are permitted to an official tax form, as OMB approval for IRS use was based on the specific format and content of each form submitted by IRS. Once approved, IRS does not have the authority to change (or to authorize changes to) the official forms.

You cannot adjust any of the graphics on Forms 1040, 1040A and 1040EZ (except in those areas specified in this revenue procedure) without prior approval from the Service.

You cannot use your own version of Schedule A (Form 1040) unless you first get it approved. The Service wants only one Schedule A—either yours or ours; yours needs prior approval from the Service.

You cannot use your own preprinted label on tax returns filed with the Service, unless you fully comply with the exception criteria specified in the revenue procedure.

Computer-Prepared Tax Forms

You can adjust the graphics on certain specified areas of printed Forms 1040 and 1040A (and other forms) to allow for computer-printed or word processor fill-in. Only the areas listed in the revenue procedure may be adjusted without specific prior approval.

You can fill in official Internal Revenue Service supplied forms using computer or word-processing equipment. Internal Revenue Service forms are designed for a vertical spacing of six lines to the inch, with all money amount columns wide enough to allow for the computer printing of ten characters.

Computer-Generated Tax Forms

You can duplicate the approved, computer-generated formats of Schedules 1, 2, A, B, C, D, E, F, R, SE, and Form 3903 (in the revenue procedure) and use them without prior approval.

You cannot computer-generate the TAX RETURNS THEMSELVES (i.e., forms requiring a signature and that establish tax liability; for example, Forms 1040, 1040A, 1040EZ, 1120, 940, 941, etc.). These forms must be either the official Service forms or those privately preprinted using conventional printing processes, photocopying or similar reproduction processes. The forms may be filled in by a computer, by a word processor, or the like, but the forms themselves must be printed like the Service versions are. First-time users of forms designed using computer graphics must receive prior written approval.

If You Plan To Change or Modify Any Tax Form

IRS **cannot approve** your substitute form until the official form has been published. Please propose your substitute after you have examined the official form.

You should know the Service revenue procedure relating to the official form before you attempt to alter the form to meet your needs. Any alteration of forms must be within the limits acceptable to the Service. It is possible that, from one filing period to another, a change in law or a change in internal need (processing, audit, compliance, etc.) may change the allowable limits for the alteration of the official form.

Approvals are good for only one calendar year (January through December) or in the case of corporation tax forms (with the exception noted in the revenue procedure), for the remainder of the quarters of the calendar year.

Note: *In some cases each new filing season requires a new approval, even if the official form does not change. But see the exception in the revenue procedure.*

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